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**THURSDAY, JANUARY 20, 1938**



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*Aerial Explorations Photo*

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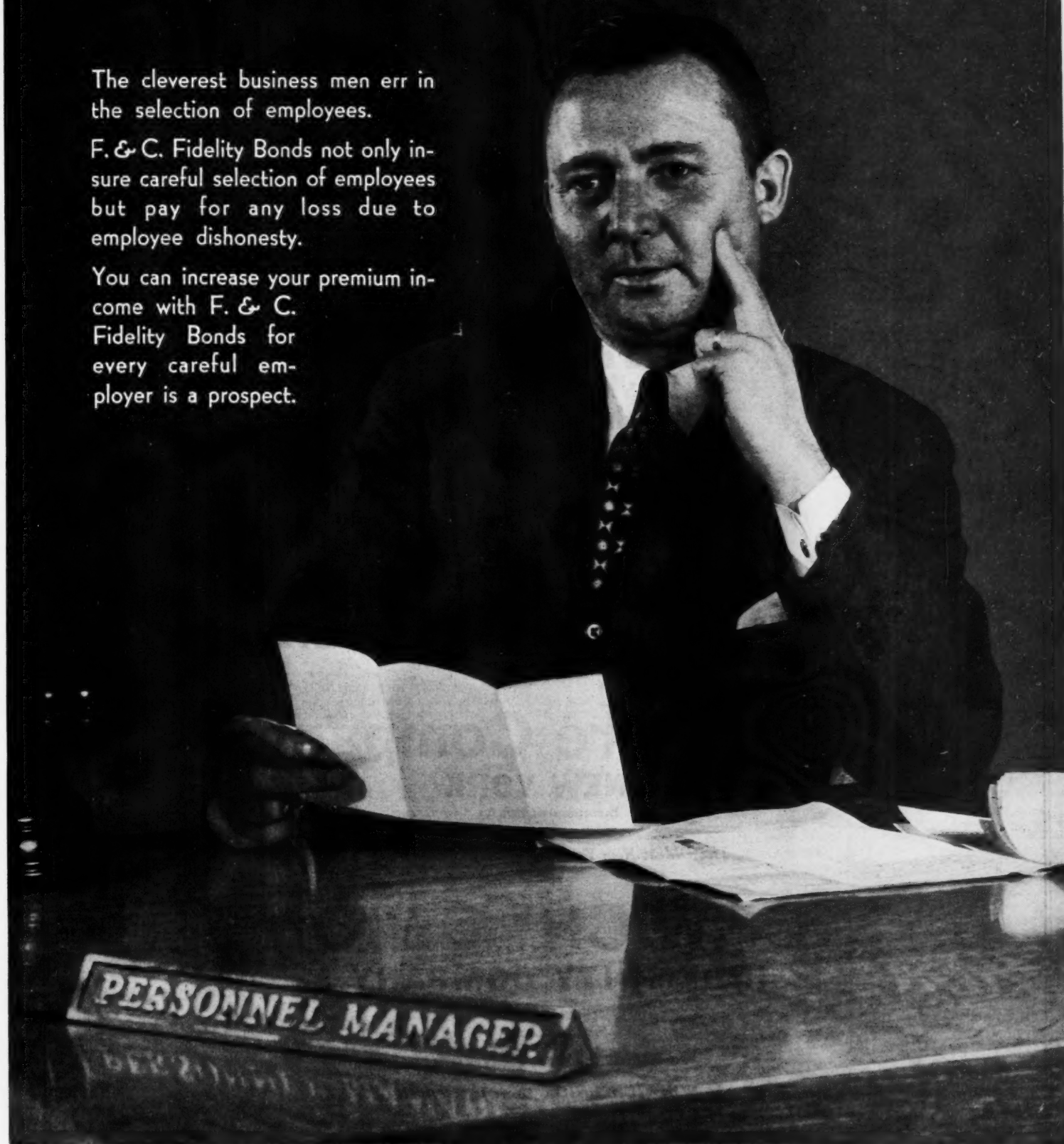


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Forty-second Year—No. 3

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 20, 1938

\$4.00 Per Year, 20 Cents a Copy

Judgment Is Won  
Against City on  
Riot Subrogation

## Street Car Strike Loss Under Policies Must Be Repaid by Milwaukee

MILWAUKEE—The "anti-lynching" law of Wisconsin, which makes cities and counties liable to the victims of mob violence, is available by way of subrogation to insurance companies that pay losses under riot and civil commotion policies, according to the recent decision of the Wisconsin supreme court in the case of Northern Assurance vs. City of Milwaukee. The Northern and five other companies insured the Milwaukee street car company against riot and civil commotion. Two riots occurred June 26 and June 27, 1934, when strikers damaged the property of the street car company at the Kinnickinnic yards and the Fond du Lac avenue yards of the street car company. The insurance companies paid the riot losses and took subrogation against the city, and brought suit.

## Terms of the Law

The Wisconsin statute as quoted by the court is as follows:

"Section 66.07, mob damage. (1) The county shall be liable for injury to person or property by a mob or riot therein, except that within cities the city shall be liable."

This is substantially the law that has been engaging a filibuster in the United States Senate for many days. It has been enacted in many northern states. The federal law is proposed in order to carry the principle into the south for the protection of negroes against mob violence.

In the Milwaukee case the riot, the doing of injuries by the mob, the extent of the loss and its payment by the insurance companies were acknowledged by stipulation.

## City's Grounds of Defense

The city demanded judgment because (1) the cause of action under the statute is neither assignable nor (2) subject to the law of subrogation; (3) the action does not lie because the street car company did not itself file a claim with the city council as required by the statute. The city also contended (4) that the street car company had forfeited its right under that part of the statute which provides that "no person shall recover hereunder when the injury was occasioned or in any manner aided, sanctioned or permitted by him or caused by his negligence, nor unless he shall have used all reasonable diligence to prevent the same."

The court quickly disposed of the first three points. It ruled that the claim was assignable, and ruled further that the rights of the companies would attach by subrogation upon payment of the loss, even without assignment. The court also said that notice of claim by the

(CONTINUED ON PAGE 43)

Clear Focus Needed to  
Assure Agents' Future

DETROIT—Agents are still faced with a number of great problems, one of which is a well organized campaign of non-agency companies to convince the public the American agency system is an unnecessary and extravagant way of distributing insurance, C. F. Liscomb, president National Association of Insurance Agents, told the Detroit Association of Insurance Agents at its annual meeting this week.

Nevertheless, he said, if agents will keep the public need in "clear focus" they need not fear their future will be insecure. Agents, if they are to serve public interest, cannot resist progress, nor should they be carried away by "half-baked schemes."

Insurance history was made at the Detroit convention in 1929 when F. D. Layton, president National Fire, said: "We have the finest story for the court of public opinion that has ever been written," Mr. Liscomb said.

## Much Yet To Do

"This sentence sums up our long neglected opportunities to acquaint the public with that glorious story of a business which rises above pure commercialism and greed, and throws a protective arm around the American home and American business," said Mr. Liscomb. "While we have made more progress along this line within the past few years than ever before, the surface has not been scratched, and there is work to be done."

"For 42 years the National association has been developing. In that span of time it has established principles and practices which have been for the protection of the public and in the interests of its members and the companies they represent. I like to visualize for the future an organization now grown to man's estate in numbers and prestige, that will continue its present program and project it still further into the field of public relations; an association whose voice will be heard far beyond the confines of its own field and out into the general business world which is so utterly dependent upon it."

## Self-education Move

"Such a program demands first of all self-education. This demand we are undertaking to answer through the many insurance courses now being conducted in our schools and universities. It demands that companies cease to appoint agents who are unfitted by training and temperament to serve. The companies are faced with a well-organized campaign on the part of non-agency companies to convince the public that their way of doing business through the American agency system is unnecessary and extravagant. They find a number of non-stock companies knocking at the doors of their established agencies and in many cases, finding a welcome. They know that we must join together in telling our story of stock company reliability and agency service for final judgment before the court of public opinion."

"It is axiomatic that adequate public relations depend upon satisfactory company-agency relations. We cannot face

the public as a house divided. The Insurance Executives Association has worked hand in hand with us in a number of instances—notably in establishing the Business Development Office and the Stock Company Association. We must admit that we have not gotten to first base in the matter of branch offices, but past performance gives us hope for the future."

"We definitely need such contact in the casualty and surety business. One of the hardest things we have to cope with is to maintain a fair and impartial attitude toward any movement inaugurated for what purports to be the public interest, but which we as salesmen in direct contact with the public, believe will not so serve that public. I refer specifically to the new safe driver reward plan for automobile bodily injury and property damage insurance, announced by the National Bureau of Casualty & Surety Underwriters."

## Agents' Suggestion

"We know that for long years there has been a public outcry against charging the careful driver the same rate that is levied against the careless. It was in an effort to satisfy this public demand that this plan was decided upon. Members of your conference committee as well as representatives of general agents and brokers were present at the conference on this matter. Not one representative of the producers approved the plan."

"You are familiar with subsequent events; how our conference committee met and evolved a substitute plan which we felt to be more salable; how it was presented to the bureau's automobile committee, but the original plan was adopted. If time should prove that the plan is conducive to safer highways and the insuring of more automobiles, we can afford to make a sacrifice in the public interest."

"We can but hope, however, that before inaugurating another such innovation

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Fire Losses for 1937  
Show Material Decrease

NEW YORK—Fire losses of the country last month as reported by the National Board totaled \$30,172,952, an increase of 27 percent over November, and .1 percent over December, 1936. The addition of the December figures brings the total fire loss of 1937 to \$284,720,094, less by \$8,637,151 than the aggregate of the previous year.

The month by month record for 1935, 1936 and 1937 is as here given:

	1935	1936	1937
Jan.	\$23,430,504	\$27,729,930	\$25,069,895
Feb.	25,081,625	30,909,896	28,654,962
March	24,942,703	29,177,406	29,319,029
April	23,267,929	25,786,835	26,663,854
May	21,238,205	21,479,380	21,437,739
June	18,499,675	20,407,485	19,524,765
July	19,293,619	22,357,020	19,812,485
Aug.	18,137,060	21,714,495	19,767,314
Sept.	16,641,882	20,413,537	19,949,756
Oct.	19,785,871	20,439,136	21,097,670
Nov.	20,871,584	22,808,497	23,849,673
Dec.	21,969,288	30,133,628	30,172,952
Tot.	\$259,159,945	\$293,357,245	\$284,720,094

Move to Increase  
by 1% Income Tax  
on Insurers

## House Committee Also Recommends No Deduction for Non-Admitted Reinsurance

WASHINGTON—An increase in rate from 15 to 16 percent for insurance companies subject to tax under sections 201 (life), 204 (stock fire and casualty), or 207 (mutual) of the 1936 revenue act, elimination of the deduction for reinsurance premiums when the reinsurance is with a foreign company not doing business in the United States or placed with non-resident alien individuals, and imposition of a 3 percent excise tax on all gross premiums paid to foreign insurers having no place of business in the United States, in lieu of the present taxes on such premiums are recommended in the report of the House ways and means tax subcommittee on tax revision, which has been submitted to the full committee and is now the subject of public hearings.

Except for the increase in rates, no recommendation is made for changes in treatment of insurance companies, which the subcommittee recommends in all other respects be treated as under present law.

## Deductions for Reinsurance

With respect to deductions for reinsurance sent abroad, the subcommittee pointed out that "the allowance of this deduction under existing law gives foreign insurance companies a considerable advantage over most domestic insurance companies, in that a portion (usually 50 percent) of the business written in the United States by an American branch of a foreign insurance company is reinsured with another foreign company."

"There is very little possibility of taxing the amount paid as reinsurance premium to the reinsuring foreign company as income, because the American branch may have its home office reinsure with a foreign company having no office in this country, and the claim is then made that the contract of reinsurance is entered into in a foreign country and therefore is not taxable under the laws of the United States. On the other hand, most domestic insurance companies reinsure with domestic companies, and the reinsurance is allowed as a deduction if taxable to the reinsuring domestic company. In instances in which a domestic reinsurance company does not follow this practice and reinsures with a foreign company, it is more convenient for it to reinsure with an American branch of a foreign corporation, in which case the contract for reinsurance is effected in the United States and the premiums paid for reinsurance are taxable to the foreign corporation."

"If the reinsuring corporation has no American branch, it is somewhat difficult for the domestic insurance company to reinsure with the foreign company, but, even if it does so, arrangements can be made for effecting the contract in this

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## Phoenix, Westchester and Glens Falls Return to Fold

Reenter Canadian Hail Underwriters Association — Annual Meeting Held in Winnipeg

By ROY W. LANDSTROM

WINNIPEG—All member companies are represented at the annual meeting of the Canadian Hail Underwriters Association being held here this week. Sweeping changes in the constitution have been suggested which if passed will create an advisory committee of three, headed by H. H. Campkin, Regina, secretary. The proposed changes also contemplate several provincial committees on which general agents may serve. This latter proposal may meet opposition on the part of company men, mainly because the association is strictly a company group.

The 1937 experience was far from favorable but the 1938 outlook is encouraging. The small premium income last year was attributed to widespread drought conditions. However, fairly good precipitation in the form of fall rains and winter snows will undoubtedly create a larger 1938 crop with its subsequent increase in hail writtings. The combined experience of all member companies in the three provinces of Alberta, Saskatchewan and Manitoba was released showing total premiums of \$373,681, and losses of \$290,174.

### Average Rate \$4.77

The average rate was \$4.77 per \$100 of liability while the loss percentage stood at 77.65. Adjustment expenses consumed 5.29 percent of premiums while loss cost was 3.70 of liability.

Due to a very heavy agenda the meeting ran into a night session which will be concluded Thursday with the election of officers.

Following custom, G. A. Ewart, vice chairman, will be elevated to chairman. P. A. Codere, St. Paul F. & M. manager here and retiring chairman, is a brother of C. F. Codere, who has just been elected president of the St. Paul.

### U. S. Contingent

The United States contingent was composed of J. K. Nelson, hail manager America Fore; S. K. Bjornson, assistant manager Rain & Hail Bureau, and T. G. Dahl, hail manager, Great American, all of Chicago. Many Canadian insurance notables attended. Among them were: S. M. Elliott, manager Phoenix of Hartford group, Westchester and Glens Falls; W. E. Baldwin, manager Continential group; Phillip A. Codere, western Canada manager St. Paul; Frank L. Heberlin, manager Springfield; F. L. Thornton, hail manager Continental group, together with G. A. Ewart, Regina manager Rain & Hail Bureau; J. F. McQueen, Saskatoon, hail manager Great American; J. E. Haskins, Winnipeg, western branch manager Canada Securities; W. J. Scrimes, western Canada manager Hartford; C. M. Nicholls, Winnipeg, hail manager Bee Hail of France; Walter Logan, general agent at Regina, and Clifford Henderson, general agent at Moose Jaw.

The executive committee reported the reentry of the Phoenix of Hartford group, Westchester and Glens Falls into the association. It was decided to continue the 1937 practice of limiting total liability per acre to \$15 in 1938.

The association approved the executive committee recommendation for the establishment at the University of Saskatchewan of a series of scientific tests, similar to those conducted at the University of Iowa, to determine the extent of injury from hail damage in the development of crops. An appropriation of \$800 annually was agreed upon.

Adolph Erickson has purchased the L. W. Andrews agency, Spencer, Ia. He has been in the insurance business in Spencer since 1926.

## C. H. Smith Urges Pushing of Use and Occupancy

Western Manager of Hartford Fire Addresses Indiana Fire Underwriters Association

INDIANAPOLIS—C. H. Smith of Chicago, joint western manager of the Hartford Fire, addressed a well attended meeting of the Indiana Fire Underwriters Association on use and occupancy insurance. A large percentage of property in Indiana is not covered, Mr. Smith said, and much of this business is desirable. In many instances the insured has not been made aware that he has such unprotected insurable interest. Lack of correct understanding on the part of interested persons has been responsible for this failure to protect more fully the values involved.

The insurable interest represented by use and occupancy has not been covered as it should be because of lack of understanding of the coverage in many instances. Progress is being made, however, toward simplification of the forms in use. One reason that the terminology of the contract has to be quite specific is the lack of court decisions to define the coverage, whereas in fire insurance the courts have covered the contract thoroughly.

### Stock in Process of Manufacture

Mr. Smith discussed the provisions in the form relating to stock in process of manufacture and the extent of coverage relating thereto and other points involved in determining insurable values.

He said that, while some may claim that rates are too high for this protection, many other as competent authorities regard rates as being equitable. The question of rates, however, should not stop company representatives from selling this coverage, inasmuch as there are so many who need it.

It is unwise to write use and occupancy for too limited terms, in Mr. Smith's opinion, as unforeseen circumstances may arise to upset present calculations. Unprecedented catastrophes like the flood a year ago have an important bearing on how soon a concern can return to production when it is dependent for the replacement of machinery or other essentials on concerns whose plants may be under water. During the war, he pointed out, business interruption insurance was bought for periods as extended as two, three and four years. The company representative is not treating his client fairly if he leaves it to him to decide for how long periods he should be protected.

(CONTINUED ON LAST PAGE)

## Hot Springs, Ark., Is Seeking Midyear Rally

There is a movement on foot to have the mid-year meeting of the National Association of Insurance Agents at Hot Springs, Ark., where the hotel facilities are entirely adequate. A survey has been made of some of the points suggested for the mid-year meeting but the conclusion has been reached that in some of these the hotels could not accommodate the convention, especially so far as the get together dinner is concerned. The potent Arkansas Association of Insurance Agents is backing the Hot Springs proposal.

## Illinois Vehicle Commission To Hold Chicago Session

The uniform motor vehicle laws commission of Illinois will hold a meeting for insurance men in Chicago Tuesday, Jan. 25, at 10 a. m. in the Morrison hotel. Those interested in truck and bus regulations in the state are invited to express their views on wanted revision in existing laws or on any new legislative features they feel may be required.

The commission has been holding sessions throughout the state for bus and truck operators. Eight hearings for these operators will be held this week and eight next. The commission will formulate rules and regulations so that recommendations can be made at the next regular session of the legislature in order to develop a comprehensive code for the state. Members of the commission include Lieutenant Governor John Stelle, Speaker L. E. Lewis, five senators and five representatives.

### Aetna Fire Field Conference

Field men of the Aetna Fire to the number of 70 gathered in Hartford Tuesday for their annual session with the management. Sessions will be held daily through Friday.

### Garrett Takes Piedmont Fire

KANSAS CITY—The T. W. Garrett, Jr., general agency has been appointed general agent for the Piedmont Fire in Missouri and Kansas, a relationship formerly held by the Jack Spratt general agency of Kansas. At the same time the Garrett agency was named general agent in the same territory for Century Indemnity. Both are members of the Aetna Fire group.

## Detroit Agents Meet Draws Several Noted Speakers

Commissioner Gauss, Liscomb and Mullally Are on Program at 20th Annual Banquet

DETROIT—Nearly 200 Detroit agents and company men gathered here to hear C. F. Liscomb, Duluth, president National Association of Insurance Agents; Commissioner Gauss of Michigan, and Martin Mullally, Muskegon, president Michigan Association of Insurance Agents, address the annual banquet of the Detroit Board.

A. I. Dreifus, Woodward agency, board president, was toastmaster, outlining accomplishments of the association in the year and paying tribute to counsel and advice of past presidents. Of these he introduced Walter Halla, W. A. Doyle, John F. Cole, George W. Carter, Charles Freese, Pearce Bland, A. G. Crandall, L. K. Hennes, Charles Raymond and J. L. Dickinson. Among guests he introduced J. W. Mundus, Ann Arbor, chairman state association's Business Development committee, and J. M. Crosby, Jr., Grand Rapids, member of the board, National association.

### Commissioner Gauss Speaks

Mr. Gauss, first speaker, said he got a thrill out of his job. He chose to talk on matters other than insurance. There is too much solemnity in diplomacy and not enough humor, he said; too many economists and not enough business men in politics. Reverting to insurance at the close of his talk, he called attention to the growing complaints against activities of persons who show up at fires before the conflagrations are extinguished to negotiate deals with policyholders, who are usually in no frame of mind to protect their interests properly at the time. These men are usually not licensed adjusters, he pointed out, and their activities work a hardship on the assured that must be stopped for the good of the public and the insurance business. A letter setting forth these facts in detail will go forward to associations in the state shortly from his office, he said. He asked cooperation to stamp out the evil, which was pledged by President Dreifus.

### Past Presidents Honored

Mr. Mullally pointed out that the Detroit association is exactly half the age of the state organization. He said Detroit has contributed greatly to success of the state association since its founding. Its first president, Fred Gunther, was a Detroit man, and eight Detroiters have headed the association since that time, these being R. Verner, J. K. Livingston, William A. Eldridge, L. K. Hennes, William J. Reinicke, J. A. Grow, George Lieber and Charles Freese.

"We realize that we are a trade association rather than an administrative body; that we have no legal standing as far as the state insurance department and the department of labor and industry are concerned," he said.

"However, our honest effort and desire is to cooperate fully with the state departments. We know that more than \$3,000,000 is paid to the state by the insurance business here. We must realize that not all decisions of the commission will be favorable to us as agents, but the welfare of the insuring public must at all times come first.

### Conference Difficulties

"I do not believe that the companies always cooperate with us as they should. Our conference committee has asked to be admitted to the company councils at the outset of discussions that affect agents but this has not always been done. Sometimes the agents are overlooked until the companies' plans are ready to be announced.

"This situation is entirely wrong and (CONTINUED ON LAST PAGE)

## THE WEEK IN INSURANCE

Clear focus on public needs will assure permanency of American agency system, President Liscomb of National Agents Association tells Detroit agents' annual meeting. \* \* \* Page 3

Income tax provisions affecting insurance companies are under consideration by the House ways and means committee. \* \* \* Page 3

Wisconsin decision enables companies paying riot losses to take subrogation against cities or counties. \* \* \* Page 3

The Ohio Farmers of LeRoy, O., is observing this week its 90th anniversary. \* \* \* Page 5

Automobile insurance results in 1937 satisfactory except for collision feature. \* \* \* Page 5

Special Agents Association of the Pacific Northwest meets in Portland. \* \* \* Page 6

Annual meeting of Canadian Hail Underwriters Association is held in Winnipeg. \* \* \* Page 4

C. H. Smith, western manager Hartford Fire, addresses Indiana Fire Under-

writers Association on use and occupancy insurance. \* \* \* Page 4

Howard A. Reynolds, Home of New York, has been elected president of the Mountain Field Club in Denver. \* \* \* Page 12

Two new officials are announced by the Hanover Fire. \* \* \* Page 10

Safe driver reward plan in automobile field is to be put into effect Feb. 1 without material change and with the acquiescence of the agents. \* \* \* Page 10

Ray Murphy resigns as Iowa commissioner to become assistant general manager of Association of Casualty & Surety Executives. \* \* \* Page 19

Bank robbery rates reduced by National Bureau of Casualty & Surety Underwriters; other changes. \* \* \* Page 21

Damage cover is added to bankers' blanket bonds; other important changes in forms No. 2 and No. 8 revised. \* \* \* Page 21

Commissioner Blackall of Connecticut will be the chief speaker at the annual banquet of the Philadelphia Insurance Society, Feb. 21. \* \* \* Page 37



## Ohio Farmers Is Celebrating Its 90th Anniversary

**Company Unique in Its Environment Is the Host to the Agency Force**

By C. M. CARTWRIGHT

LE ROY, O.—This is an important week in the little hamlet of LeRoy. It is usually a quiet but a potent bit of countryside, impressive, quite different from other small villages since it is the home of the great Ohio Farmers which just now is celebrating its 90th anniversary. The Ohio Farmers calendar always shows a red letter day in January when the company has its annual meeting and also the Ohio Farmers Agents Association meets in annual conclave. There are appropriate conferences and meetings on these yearly gatherings but this year there are added rites and ceremonies, in order to commemorate this important event.

### Every One in Sunday Clothes

The little town is all brushed up, the officials and employees are cordial and attentive. Looking through the offices and about the square one might feel that there is a ski tournament at hand, a fox hunt or a big country sale. The serenity of the place is broken by laughter, cordiality and the presence of a population that has increased the regular census many fold.

On Tuesday morning the visitors arrived from all sections. The great bulk naturally come from the Buckeye state because that is the seat of the Ohio Farmers Agents Association. And this, by the way, is the 47th annual meeting of the agents body. The annual meeting of the company proper occurred Wednesday.

### Agents Organization to the Fore

The ceremonies started Tuesday afternoon in the Westfield auditorium under the auspices of the agents association with Will V. Hayes of Marietta, the president, in charge. Paul W. Kridler of Fremont was vice-president and F. E. Kirkpatrick of Columbus is the perennial secretary and treasurer. Then when the afternoon ceremonies were closed all hands went to the Westfield Country Club to participate in the "yellow dog ceremonial." The "Yellow Dog" evidently in the Ohio Farmers nomenclature is something like the Blue Goose with the field men. In the evening in the Westfield gymnasium was the annual dinner with A. H. Wynkoop, city editor of the "Reporter" of Lebanon, Ind., giving the chief address. Then following the banquet was the annual ball.

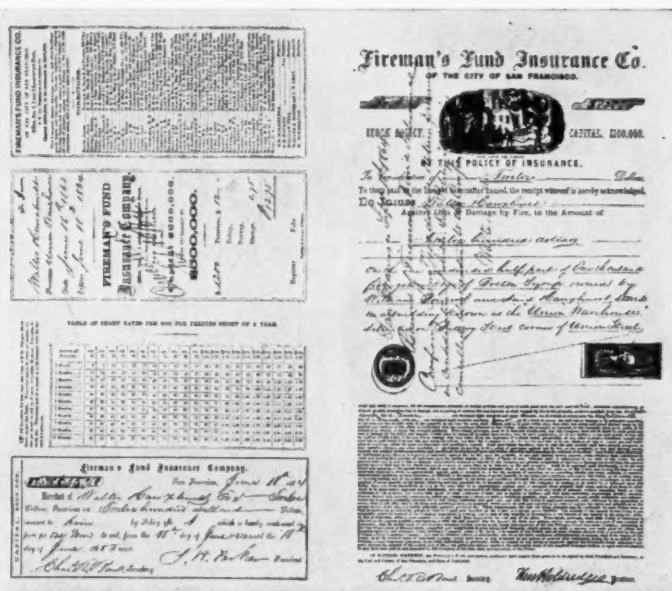
All in all it was a great week, everything went off in tip top shape and all present pledged their eternal fealty to this old institution.

### Tuesday Afternoon Meeting

At the Tuesday afternoon meeting which was the chief educational session President Will V. Hayes of the Ohio Farmers Agents Association presided and responded to the address of welcome given by President F. H. Hawley of the company. Secretary F. E. Kirkpatrick of Columbus presented the minutes of the 1937 meeting. Talks were given by Dr. W. G. Spencer, president Franklin College of Franklin, Ind., and C. M. Cartwright of THE NATIONAL UNDERWRITER. Secretary J. C. Hiestand gave an underwriting review of the 1937 record. C. D. Palmer of Columbus had as his topic, "Selling Insurance." J. W.

(CONTINUED ON PAGE 38)

## First Policy of Fireman's Fund



Covering a one-half interest in 1,000 five-gallon kegs of Boston syrup, which had gone around Cape Horn to San Francisco by clipper ship, policy No. 1 of Fireman's Fund was written 75 years ago.

Issued to Walter Hawxhurst June 18, 1863, for one year, the policy covered damage by fire to the extent of \$1,200 on his undivided interest in the syrup. He paid a premium of \$12 plus \$1.75 stamp tax. This was the first money taken in by the Fireman's Fund, which today, on the eve of its Diamond Jubilee, has assets of some \$40,000,000 and a country-wide organization of some 11,000 agents in nearly as many cities.

### Hartford Employees Present Dugan with Testimonial

A testimonial signed by all the employees in the western department of the Hartford Fire, numbering more than 530, was presented to A. G. Dugan, who retired recently as general agent in charge of the department, while he was enroute to Albuquerque, N. M., for a visit of several months with his son, A. G. Dugan, Jr. The presentation was made by Clem E. Wheeler of Smith & Wheeler, the new western managers of the Hartford, who with J. W. Burden, western automobile superintendent, accompanied Mr. Dugan to Albuquerque. Mr. Wheeler and Mr. Burden are on a business trip through the Rocky Mountain territory and they will visit Kansas City before returning to Chicago.

The testimonial reads: "The simple dignity which always distinguished the character of truly great people, the democratic courtesy which is just as sure and just as fine for the newsboy on the corner as for the captain of industry, the kindness which unfailingly warms all those who come within its great circle, the sincerity which shines out in everything you say and do, the marvelous faith in friendship as the highest expression of man's love of man—these are the ideas which will forever be associated in the minds of all of us with the name of A. G. Dugan. You say you are retiring; and, in a sense, you are laying down some of your more arduous duties after a long period of brilliant and faithful service. But in a higher, finer sense, you will never retire. A spark of your grand personality, your splendid integrity, and your gracious human warmth will remain with each and every one of us through all the days of our lives. No, we maintain that a period will never be written after the career of A. G. Dugan. Long after the last of us has faded from the memory of living men, your shining

Listed on policy No. 1 were the names of 50 directors, with their occupations, among whose first acts was the passing of a resolution that the company's office should remain open every evening from 7 to 8 o'clock, to enable working people to insure their property. This act was a competitive challenge to the company's principal competitor, the old German Mutual, which observed the practice of opening at 2 p. m. and closing as soon thereafter as it had taken in all of the risks that it wanted for the day. The young company's first directors were New Englanders and New Yorkers.

### Palmer Intimates Fire Rate Changes Are Due Shortly

Insurance Director Palmer of Illinois issued a statement this week following a conference in Springfield with representatives of the rating bureaus concerning the fire insurance rate schedules that have been filed in compliance with the rate regulation article of the new Illinois insurance code.

Further conferences, according to Mr. Palmer, will be held with representatives of the Chicago Board and Illinois Inspection Bureau regarding fire insurance rating schedules filed by them. The department's position with regard to any rate changes resulting therefrom will be announced within the course of the next few days, Mr. Palmer declared.

The conference Monday of this week had been called by Mr. Palmer, who is pressing for even further rate reductions. The company people attending included Paul L. Haid, president Insurance Executives Association; R. D. Hobbs, manager Western Actuarial Bureau; C. M. Hayden, vice-president Glens Falls and president Chicago Board; J. S. Glidden, manager Chicago Board; C. W. Soderstrom, manager Illinois Inspection Bureau.

### Fort Wayne Board Elects

FORT WAYNE, IND.—W. H. Lupke has been reelected president of the Fort Wayne Insurance Board. Other officers for 1938 are: Vice-president, R. H. Waterfield; secretary, C. J. Mettler, and trustees, Frank Lahmeyer and Ray Scott.

spirit will carry on. So we say, God bless you, A. G. Dugan. But we will never say good-by. May you be with us yet for many long years! The good you have done us all will never pass away."

## Automobile Cover in 1937 Proves to Have Sold Well

**Substantial Premium Increase in Year — Collision Cover Found Unsatisfactory**

By GEORGE A. WATSON

NEW YORK—A gratifying increase in premium income from automobile insurance in 1937 is reported by virtually all fire companies. The gain is accounted for in part by the greater number of cars on the road, and especially because many motorists secured collision coverage.

The relatively high rates charged for collision restricted its sale for many years. It was not until General Motors Acceptance insisted that car purchasers on a financed basis secure collision insurance as well as fire and theft, that the benefits of collision cover became generally appreciated. Many motorists, after securing title continued the placing through local agents or brokers.

### Expect Rate Increase

The sour note in the picture, though, is the constant, severe collision losses companies had to pay. Despite \$50 and \$100 deductible clauses on many collision policies income failed to meet losses. It is very likely that rates will be increased according to company officials.

The comprehensive policy launched about two years ago has won favor, and a considerable percentage of automobile business now is written under that form. Its use facilitates adjustment of claims, obviating disputes as to whether the damage claimed was due to causes insured against.

The comprehensive policy assumes liability for loss from virtually all known perils. No changes in policy forms were adopted in 1937, nor do company chiefs anticipate any will be made this year. The forms in use have been well standardized and apparently are acceptable to the insuring public.

Agitation for a special form to cover "home automobiles" which was rather acute early in 1937, died out before the close of the year. Machines of this type, despite claims of manufacturers that they would be nearly as popular as pleasure cars of the customary type, failed to gain great favor.

Many communities did not provide parking facilities for auto-homes, a condition that doubtless had its influence in restricting sales of such machines. Whether there will be a change in the public attitude toward cars of the trailer variety, remains to be seen.

### Exchange Plan Successful

OKLAHOMA CITY.—Success in its campaign to limit fire company representation in Oklahoma City to members of the Oklahoma City Insurance Exchange is reported by Harry Heiman, president. Companies are giving 100 percent cooperation, he said, and since Jan. 1 new members have been secured at a rate of three or four each week. The objective is to improve underwriting by making sure that agents of reputable companies meet exchange requirements. Mr. Heiman described the voluntary action as a move to accomplish improvement produced in other states by legislation. He said fire companies have canceled appointments of many agents not members of the exchange. Companies represented in Oklahoma were notified before Jan. 1 that the exchange would not be permitted to represent insurers who retain non-member agents.



## Pacific Northwest Special Agents Meet in Portland

**Carlisle Heads Oregon Division, Dunn, Western Washington — View Depreciation, Forest Cover**

At the annual meeting of the Special Agents Association of the Pacific Northwest in Portland, Ore., Charles Carlisle, North America, was elected president of the Oregon division; D. E. Beard, Selbach & Deans, vice-president; and L. L. George, Hartford Fire, secretary-treasurer. New executive committeemen are Thomas B. Thompson, North British & Mercantile, and L. R. Centro, St. Paul Fire & Marine.

At the annual meeting of the western Washington division in Seattle, Hugh C. Dunn, Springfield Fire & Marine, was elected president; G. E. Moore, Fireman's Fund, was advanced to vice-president, and Lloyd B. Beattie, Franklin Fire, was elected secretary-treasurer. A. S. Joy, Travelers Fire, and W. C. Carlwon, Crum & Forster, were named executive committeemen.

### Fritz and Dunn Preside

At the joint annual meeting in Portland Walter Fritz, president of the Oregon division, and Hugh Dunn, president of the western Washington division, presided. The constitution and by-laws were amended to provide for maximum yearly dues of \$10 and it was voted to raise the yearly due from \$5 to \$7 per year.

M. F. Penfield, Royal-Liverpool groups, retiring president of the Washington division, reported on the accomplishments of his division. A. V. Holman, newly appointed agency superintendent for the America fore group at San Francisco, discussed business development work in western Washington.

Hugh Lacey, Grossmayer General Agency, Portland, discussed "Depreciation Insurance" in which he upheld Commissioner Earle in permitting the coverage to be written in Oregon.

A paper, "The Adjuster . . . So What" by W. J. Moe, manager of the Fire Companies Adjustment Bureau in Portland, was read by Henry Vold of the same organization. "The individual who has suffered a loss is thrown out of gear from the ordinary routine," said Mr. Moe. "His mental equilibrium is definitely disturbed in varying degrees."

"Forest Fire Insurance" was discussed by John A. Bunting, special agent Crum & Forster. "To realize the premium possibilities," Mr. Bunting went on to say, "one needs only to learn that in the United States there is a value in privately owned timber held for commercial enterprise of over \$3,000,000,000. At an estimated average rate of 50 cents this value would produce premiums amounting to \$15,000,000." Forest fire insurance should be of particular interest to special agents traveling in the Pacific northwest where the preponderance of timber standing in the United States is located, said Mr. Bunting.

### Views Depreciation Cover

In his retiring address, President Fritz of the Oregon division reviewed conditions in Oregon. "It seems unfortunate that exultation over a per capita loss of \$1.13 for Portland last year should carry with it a recommendation for further reduction in rates," President Fritz stated. "The report of Commissioner R. E. Riley to the city council is just one man's opinion, but his communication was published in the press and the publicity has not been good for our business. For the five years, 1932-1936, the national average per capita fire loss for 465 protected cities was \$1.61 as against \$1.84 for Portland. We rejoice in the splendid record for Portland in 1937, but one swallow does not make a summer, and it is necessary to use more than the

## OHIO FARMERS' 90TH ANNIVERSARY



**F. H. HAWLEY, President**

President F. H. Hawley, Executive Vice-president C. D. McVay and Secretary J. C. Hiestand of the Ohio Farmers, together with the other executives and personnel are having a busy week in the unique home office town of LeRoy, O., due to the fact that the 90th annual meeting of the company is being held there and the 47th annual meeting of the Ohio Farmers Agents Association.

Mr. Hawley was born in LeRoy. The public school and high school in that village afforded him his early education. Later he attended Brooks Academy and Williams College. All of his active business years have been devoted principally to the Ohio Farmers. His first official connection with the company was that

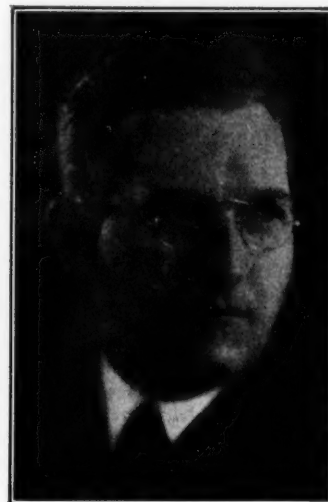


**C. D. McVAY, Vice-President**

of a director, having now held that office for over 30 years. In 1909 he was elected treasurer. His father and grandfather both held official positions in the company. Mr. Hawley is actively interested in the work of the Methodist church and the Y. M. C. A. He finds time also for his flower garden and for golf. He and Mrs. Hawley reside in the Hawley homestead in LeRoy. They have one daughter, one son, Robert Hawley, who is with Ohio Farmers, and four grandchildren.

### McVay's Career

Mr. McVay was born in Athens, O. He received his A. B. degree at Ohio University in 1915; his law degree with the class of 1918, Ohio State University, at



**J. C. HIESTAND, Secretary**

the time serving in the U. S. Army; admitted to the Ohio bar in 1918. In 1922 he became assistant general counsel of Ohio Farmers, and in 1926 he was chosen general counsel. In 1933 he was elected director and executive vice-president. Practically all of his time is devoted to the Ohio Farmers.

Mr. Hiestand was born in Van Wert, O. Following his graduation from the high school there, he attended Wooster College, Wooster, O. During the war, he served in the U. S. Navy. After the armistice he was with the Ohio Inspection Bureau, leaving that organization in 1920 to join the Ohio Farmers, as manager of the automobile and inland marine departments. He was elected assistant secretary, later secretary.

results of one year as a basis for rate making."

Considerable financing on automobile insurance has been done through Oregon banks during the past year. Whether or not this has been beneficial to the companies and agents as a whole is conjectural, said Mr. Fritz.

Commissioner Earle has outlined the procedure to be followed in writing depreciation insurance, said Mr. Fritz. "Individual companies writing the coverage must file their rates with the insurance department and submit daily reports for checking until the Oregon Insurance Rating Bureau is in a position to assume jurisdiction. This action followed the opinion of the Oregon attorney-general that this form of insurance could be legally written in the state. Limited writings so far have progressed along the lines of the so called 'rebuilding form,' where recovery is limited to the amount actually expended for replacement in excess of the total amount of property damage insurance in force at the time of the loss. This differs from the so called property life insurance form, which is designed to protect against loss or damage due to depreciation and deterioration to the structure through natural causes quite apart from damage by fire or other catastrophic perils. To those who have complained that our business is rule-bound, depreciation insurance should furnish sufficient outlet for their imagination and initiative," said Mr. Fritz.

President Fritz recommended that a rural committee be formed to study farms, suburban and unprotected town problems. In conjunction with a similar committee of the Oregon State Agents Association, specialized attention could be given to this subject which should be most reassuring to small town agents.

At the banquet John Meeke, Fireman's Fund, was toastmaster. C. C. Spears, United States Department of Justice,

### Gough Moves to Force Dissolution of Fidelity Fire, Which Frank Cohen Bought

NEW YORK—Dissolution of the Fidelity Fire of Atlantic City of which the Frank Cohen interests of New York City have gained control, is to be voted on at a directors' meeting called for this week, it is understood. The company controls the Reserve Loan Life of Indianapolis.

If it is voted to dissolve the Fidelity, New Jersey laws require that the directors' action be ratified by a two-thirds vote of the stockholders at a meeting to be held within 10 days of the directors' decision. However, the Cohen group controls enough stock to insure the necessary stockholders votes.

It is generally understood that the directors' meeting was called because of pressure from Deputy Commissioner Gough of New Jersey. Part of the Cohen plan was to switch the company from a fire carrier to a casualty writer. All fire business was reinsured but because of different financial set-up he would not approve a change of writing powers until an examination of the company had satisfied him of its financial condition.

Lack of policyholders' interest due to reinsurance of fire business made it unnecessary for the department to take immediate action. However, Mr. Gough said he would not permit the company to continue indefinitely in its indeterminate status and that if nothing were done he would move to take it over.

While Fidelity officials were reticent about discussing the approaching meeting, it was not denied that dissolution was the subject to be voted on. Apparently the idea of switching to casualty

spoke on "G" Men." Commissioner Earle spoke, opposing the new automobile liability merit rating plan.

### Chicago Insurance Club Election Friday Evening

The Insurance Club of Chicago will hold its annual election Friday evening, Jan. 21, at 7:30 in the auditorium of the Chicago Board. A. T. Graham, general agent Standard Accident and chairman of the nominating committee, will present the following slate: For president, W. F. Kuffel, Phoenix of Hartford; vice-presidents, Peter Eriksen, assistant manager Underwriters Service, R. E. Baker, office manager Hartford Accident and E. S. Rappaport assistant manager Pacific Mutual Life; treasurer, H. F. Hunter, engineer, Chicago Board; secretary, Robert Lutz, Springfield Fire & Marine, and librarian, George P. Stahl, engineer, Chicago Board.

Prof. J. E. Finnegan of the fire protection engineering department Armour Institute, will address the group at its February meeting on the value of education in the insurance business. His address will be concerned with aspects of fire protection engineering.

has been abandoned, for one official said that if the casualty project were continued it would be with an entire new organization rather than by converting the Fidelity.

The Cohen interests bought the Fidelity at \$8 a share. How the break-up value of the company compares with this figure is difficult to estimate. At the time of the contract of sale last fall, Fidelity's president, City Commissioner Frank B. Off, thought that \$8 a share was less than the asset value of the company. However, he sold his stock to the Cohen group when he resigned as president.

A. E. Small, former president of the Wichita Insurers, has been elected a director of the Wichita chamber of commerce.

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## AS SEEN FROM CHICAGO

### GETS DEVIATION PERMIT

The Retail Druggists Mutual Fire of Cincinnati is the only company operating in Cook county that has been allowed a deviation from the Chicago Board rates, it being permitted a 25 percent reduction based on its five-year experience.

### CHICAGO EXAMINERS' MEETING

The Chicago Association of Fire Insurance Examiners will hold its January meeting at DeMet's Board of Trade Grill the evening of Jan. 20. The recently completed motion picture, "Approved by the Underwriters," will be shown. It gives an idea of the activities of the Underwriters Laboratories. B. P. Caldwell, Jr., assistant secretary of the Underwriters Laboratories, will be present to explain the film and answer questions.

### PRINTING COMPANY ELECTION

W. L. Lerch, manager of the Underwriters Grain Association in Chicago, was reelected president of the Uniform Printing & Supply Co. of that city at the annual meeting. H. A. Clark, Firemen's, and H. M. Giles of the Millers National were reelected vice-presidents. A new vice-president is S. M. Buck, Fireman's Fund. J. Barbour Gray was reelected secretary-treasurer and general manager. The directors are W. N. Achenbach, Aetna Fire; W. F. Byer, vice-president Home; Mr. Buck, Mr. Clark, Mr. Giles, W. P. Robertson, North America; C. H. Smith, Hartford Fire; C. R. Street, Great American; W. D. Williams, Security of New Haven, and W. E. Wollaefer, Concordia Fire.

Previous to the meeting of the Uniform Printing & Supply Co., the governing committee of the Western Underwriters Association adopted a resolution

providing that representatives of the W.U.A. on the board of the printing company must be a member of the governing committee.

### THREE COMPANIES HAVE ROUNDUPS

Field men of the western departments of three companies, whose offices are in the Insurance Exchange, Chicago, gathered in the headquarters city for conferences this week. The companies are Providence Washington, Fireman's Fund and Hanover.

The Providence Washington conference took place Tuesday and Wednesday with a dinner Tuesday evening in the Morrison Hotel, attended by department heads as well as field men and presided over by Western Manager J. R. Cashel. Vice-president F. B. Luce was on hand representing the head office.

The Fireman's Fund conference was held Monday, Tuesday and Wednesday, the business sessions being held in the Chicago Board auditorium. The banquet Tuesday evening was at the Union League Club, with Western Fire Manager S. M. Buck presiding. It was a joint conference for field men of the fire department, marine department under Western Manager E. D. Lawson and Fireman's Fund Indemnity under Manager John Pabst. In addition to the Chicago executives there were present C. C. Hannah of Boston, vice-president in charge of the eastern department; R. V. Goodwin of New York, eastern vice-president of the Fireman's Fund Indemnity, and F. B. McBride, manager of the Atlantic marine department in New York.

About 50 were on hand for the dinner.

The roundup of the Hanover was conducted Tuesday and Wednesday with a banquet Wednesday evening at the Atlantic Hotel. It was in general charge

of Vice-president and Western Manager W. K. Maxwell. In addition to the field men in the territory reporting to Chicago there were present two field men who report direct to the head office, they being H. W. Robertson of Kentucky and F. L. Logan of Virginia.

The head office executives on hand were Montgomery Clark, president; A. E. Gilbert and F. E. Sammons, vice-presidents.

### DISCUSS INLAND MARINE

With a great many fire companies in the field today selling marine coverage, unless a special agent can offer these facilities it will be only a question of time before he is called to account for reduced production from his territory, P. J. Leen, assistant manager western marine department Fireman's Fund, told the Cook County Field Club at the January meeting. Inland marine premiums grossed \$100,000,000 last year and it is expected they will well exceed that sum in 1938, he said. Special agents should be able to offer the facilities of writing inland marine for an agent if they secure a sufficient volume of his other business. Mr. Leen gave a picture of how the marine policy functions for the assured, the basic coverage being against transportation hazards, but, as in the case of the personal property floater, also actually covering personal property in permanent residence and being endorsed to cover in summer or winter residence. There was some discussion of furrers' customers' certificates, Mr. Leen estimating that Inland Marine Underwriters Association companies have around 90 percent of this business. It was commented that some Chicago furrers insist upon handling the fur insurance for their customers, even though customers may have separate fur insurance on their garments. This was said to be a settled policy of one very large Chicago department store. Mr. Leen noted states prohibiting sale of the personal property floater, Michigan being outstanding in the middle west. In the east, he said,

no states permit its sale except West Virginia, and Florida, which excludes fire and windstorm. Mr. Leen said inland marine companies are proud of the broad scope of their underwriting, whose range, he said, is from a capsule of radium to huge undertakings such as the San Francisco bay bridge and Holland vehicular tunnel.

William Uruba, president, presided. Committee appointments were announced, chairmen being: Program, A. H. Wishard, America Fore; membership, A. L. Corey; publicity, Ralph Black, Northern Assurance, and Chicago Board relations and Business Development, L. P. Warren, Associated Agencies.

### MAP GREAT AMERICAN ROUNDUP

Field men in the western department of the Great American will gather in Chicago the week of Jan. 31 for their annual conference with Vice-president and Western Manager C. R. Street. E. C. Lunt, vice-president Great American Indemnity, is expected to be on hand from New York.

### CLASS 1 MEMBERSHIP

W. P. Engelhard of Engelhard & Co., Chicago, has been admitted to Class 1 membership in the Chicago Board of Underwriters. Mr. Engelhard is a son of the late Paul R. Engelhard.

A group from the Continental visited the American District Telegraph Company's headquarters and operating laboratory as guests of R. E. Maginnis, special engineer, Chicago.

### Zone 4 Commissioners Rally

DES MOINES.—Commissioner Murphy of Iowa, who is chairman of zone 4 of the National Association of Insurance Commissioners, announces a meeting of the zone 4 commissioners to be held at 2 p. m. at Palmer House, Chicago, Monday, Jan. 24. States to be represented are North and South Dakota, Minnesota, Iowa, Illinois, Michigan, Indiana and Wisconsin.

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## NEWS OF THE COMPANIES

### St. Paul Rides Through Slump

**Returns Increases in Assets and Surplus Despite Severe Decline in Securities Markets**

St. Paul Fire & Marine is one of the first of the large companies to issue its 1937 annual statement. Despite the severe drop in the market value of stocks and bonds during the latter part of 1937, St. Paul Fire & Marine returns an increase in assets of about \$300,000 as compared with the previous year and an increase in net surplus of about \$900,000. There was an increase of \$1,402,178 or nearly 10 percent in net premiums.

Assets as of Dec. 31, 1937, amounted to \$39,649,093, as compared with \$39,398,015 the previous year. Bonds at market value amounted to \$21,820,060. The previous year bonds at book value were entered at \$21,140,547.

Stocks at market value totaled \$10,475,782. The previous year stocks were entered at book value at \$8,383,094. Real estate this year is carried at \$1,168,179, as compared with \$1,228,353 the previous year. Mortgages are carried at \$1,793,673 as compared with \$1,744,439 the previous year.

The new unearned premium reserve is \$9,303,853, as compared with \$8,647,086 the previous year. There is a conflagration reserve of \$525,000, increase \$75,000. Capital is \$4,000,000 and net surplus \$23,309,581, as compared with \$22,419,613 the previous year. A voluntary reserve of \$1,707,940 that existed in the Dec. 31, 1936, report disappears in the new annual statement.

Net premiums written in 1937 amounted to \$12,078,969, as compared with \$10,676,790 the previous year.

The affiliated Mercury in its new statement reports assets \$5,921,502, premium reserve \$1,890,621, capital \$1,000,000 and net surplus \$2,757,788. Net premiums amounted to \$2,047,941, increase \$231,756.

### Pay Extras of 20 Cents

Great American and American Alliance have just paid an extra dividend of 20 cents in addition to the usual quarterly of 25 cents.

### Ohio Farmers Figures

The annual figures of the Ohio Farmers show assets \$4,802,489, premium reserve \$2,505,066, net surplus \$2,007,404, premiums \$2,474,759, losses \$988,485.

### Hanover's Two New Officials

**H. Russell Deal Made Assistant Secretary and James H. Vey Becomes Superintendent of Agents**

President Montgomery Clark of the Hanover Fire and Fulten Fire announces that the directors have authorized him to appoint H. Russell Deal assistant secretary of both companies. He has been with the Hanover in Georgia and Alabama for the last eight years and has had a varied experience. His work being outstandingly successful, he was called to the home office some weeks ago and is now given an official title.

James H. Vey becomes superintendent of agents. He entered the employ of the Hanover more than 20 years ago and has had underwriting experience in all territories at the home office. He is now handling the eastern field, which he will continue to do. He has a good record of achievement.

### Codere Heads St. Paul F. & M.

**F. R. Bigelow, After 26 Years as President of Company, Becomes Chairman**

ST. PAUL—At their annual meeting directors of the St. Paul Fire & Marine elected F. R. Bigelow chairman and C. F. Codere president. W. W. Skinner has been made investment officer.

Mr. Bigelow has served 26 years as president and has been virtually executive head of the company since 1906. During his tenure of office the capital of the St. Paul increased from \$500,000 to \$4,000,000 and the surplus from \$133,000 to \$23,000,000.

Mr. Codere, the new president, has been identified with the St. Paul since 1908. He has been vice-president since 1925. He was born in Montreal in 1886, educated in the public schools of that city and entered the insurance agency business there in 1901. In 1906 he moved to Edmonton, Alta., to enter local agency work, representing the St. Paul among other companies. Because of his success in agency work, Mr. Codere was selected to extend the organization of the St. Paul in Canada and was so successful in this work that he was called to the home office in St. Paul in 1920 as assistant to the president.

He is a trustee of the Minnesota Mu-

### St. Paul F. & M. New Official Setup



C. F. CODERE  
President



F. R. BIGELOW  
Chairman



tual Life, president of the Minnesota Club and president of the trustees of Summit school, a private school for girls in St. Paul.

With the retirement of Mr. Bigelow as president, the St. Paul for the first time in 62 years will not have a Bigelow as president. His father, C. H. Bigelow, was president from 1876 to 1911.

### Buckeye Union Fire Makes Its Bow in Business

The Buckeye Union Fire of Columbus, O., began operations this week, its license having been granted by Superintendent Bowen. It is capitalized at \$200,000, surplus \$300,000, combined surplus to policyholders \$500,000, and was organized as a running mate of the Buckeye Union Casualty. It is located at East Broad street and Washington avenue in the same office building as the casualty company. The home office building has been enlarged with addition of 6,000 square feet of floor space.

Stockholders met this week and elected directors. The officers and directors are: President, F. E. Jones; vice-president, R. E. Jones; secretary and general manager, Ira L. Morris; treasurer, F. A. Burgess; comptroller, B. J. Mertz, all of Columbus; Dallas Kelsey, Detroit, is a director. Officers and directors are identical with the Buckeye Union Casualty, control is under the same management, with 60 per cent of stock in the new company owned by stockholders of the casualty company.

#### A. R. Gibson, Manager

A. R. Gibson, Columbus, is manager of the fire company. He has had 15 years' experience in the business, having been state agent Hanover Fire.

The Buckeye Union Fire starts with 150 Ohio agents. It offers six policy contracts, including standard fire and windstorm, standard dwelling fire, combined dwelling fire and windstorm, dwelling with extended coverage and special standard windstorm. It writes at published rates with no deviation.

President Jones stated Ohio had only one other home-owned stock fire company, all others being domiciled elsewhere or being members of fleets. The company will be conservative. Adequate reinsurance facilities have been arranged.

### Readjust Rossia Surplus in Convention Examination

Due to political and economic conditions in Europe, those participating in the convention examination of the Rossia as of Dec. 31, 1936, decided that this company's European investment should be written off. That causes a reduction of \$419,683 from the surplus reported as of Dec. 31, 1936. The Connecticut, Louisiana and Montana departments participated in the examination. Giving effect to that reduction, surplus as of Dec. 31, 1936, becomes \$1,977,266 and assets were \$7,281,874. The Rossia announced its intention to withdraw from the foreign field in June, 1936.

The examination report states that the management responsibilities of the directors are being broadened and economies in management are being made effective.

A net gain from underwriting and investments for the four year period ended Dec. 31, 1936, of \$26,012 was established by the examiners. There was a gain from decrease in special reserve of \$1,025,000 and a total gain in surplus of \$1,051,012. Against this is loss from deduction of excess European assets over liabilities of \$123,470; dividends paid \$540,000. This makes a net increase in surplus since December 31, 1932, \$387,541.

### Lafayette Fire Open House

NEW ORLEANS—Over 500 business men and friends attend the annual open house of the Lafayette Fire, marking

the 68th year of the company and its 61st in its present headquarters. President John X. Wegmann welcomed the guests.

### To Be Ohio Insurance Co.

The Inland Fire of Hamilton, O., has changed its name to the Ohio Insurance Company. It is a running mate of the Ohio Casualty.

### American Equitable Pays Extra

The American Equitable of the Corroon & Reynolds group has declared an

extra dividend of 10 cents as well as the regular quarterly of 40 cents, both payable Jan. 25 to stock of record Jan. 17.

### Report on Illinois Licenses

During the fiscal year ending June 30, 1937, the Illinois department issued 75,915 licenses to agents; 9,715 to brokers; 3,697 to solicitors and 344 to company service representatives, Director Palmer reports.

Because the guest of honor was called for jury duty, the luncheon of the Arapahoe Club which was to have been held

Jan. 18 in San Francisco in honor of F. M. Avery, retiring vice-president and Pacific Coast manager Fire Association, was postponed to Jan. 25, when members, former intermountain territory field men, will gather to pay their respects to Mr. Avery, on the eve of his retirement.

R. K. Pfremer has opened a local agency in Wichita, at 301 West Douglas avenue, resigning his connection with the New York Life. For some years Mr. Pfremer was an active producer with the Spratt Agency of Baxter Springs, Kans., but for several years has devoted himself to life insurance in Wichita and Manhattan.



## THE MAN AT THE OTHER END

EVER pull one end of a cross-cut saw? Then you know how much depends on the man at the other end.

Teamwork is the answer—on big trees or small ones. Or call it cooperation . . . steady working together to do the job well in the easiest, most efficient manner.

\* \* \*

And that is how the Agricultural and Empire State like to work with local agents. We believe in the American

Agency System. We carry on our activities to give it full support.

Perhaps that is why a good many agents call us "Friendly Folks." We are proud of that . . . and you may be sure we do everything possible to try to hold that reputation.

Can you use another strong American stock company . . . one with an extra asset of simple friendliness? We are looking for some more topnotch agents whom we can serve as "the man at the other end."

**Agricultural**  
Insurance Company,  
of Watertown, N. Y.

**Empire State**  
Insurance Company,  
of Watertown, N. Y.

EVERY TYPE OF PROPERTY INSURANCE FOR INDUSTRY AND THE HOME

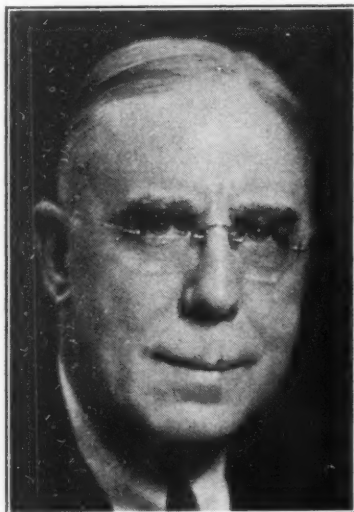


## NEWS OF FIELD MEN

### Family Is Famous in Indiana

**Cook Brothers Long Have Figured Conspicuously in the Farm Insurance Business in the State**

INDIANAPOLIS — The announcement that Clarence A. Cook, state agent of the fire department of the Fidelity-Phenix Fire in Indiana, is retiring brought more than usual interest to the fraternity of this state. The name of Cook has been closely identified with the old Phenix of Brooklyn and its suc-



CLARENCE A. COOK

cessor, the Fidelity-Phenix, for almost 60 years. In 1881 the older brother, S. Wallace Cook of Evansville, Ind., became district farm agent for the old Phenix in southern Indiana. A short time later the next younger brother, John W. Cook of Evansville became associated with the company and in 1893 Clarence Cook after graduating from DePauw joined forces with his brothers.

#### S. W. Cook a Pioneer

S. W. Cook was a pioneer in the development of farm insurance as it is known today. He was an organizer of unusual ability. He retired from the agency in 1930 because of ill health after serving 49 years. J. W. Cook is still active in the agency at Evansville. Together measured in consecutive years the three brothers have given 150 years to one company. Their connection with the old Phenix began under T. R. Burch, western general agent and continued under Eugene Harbeck, J. H. Lenehan, C. R. Street, Alfred Stinson, J. R. Wilbur and now E. A. Henne. In the farm department they worked for such eminent farm underwriters as Eloy Peterson, now retired, and Ira D. Goss, present head of the department.

#### C. A. Cook Moves to Indianapolis

The state agency was located in Evansville until 1907 when C. A. Cook opened an office in Indianapolis. For many years both offices were maintained. The Cook agency developed a large farm business which even through depression and recession could be relied on as a source of profit. The Indiana organization of the Fidelity-Phenix farm agents is known throughout the middle west as an aggressive one. It is noted not only for the ability of those comprising it but for their loyalty to and affection for State Agent Cook.

Mr. Cook's plans for the future have not yet fully developed. He expects to go south for a vacation until spring and later on will consider ways and means to use his large and wide experience for the best interests of the farm insurance field.

### Illinois Field Discussions

**Association at Mid-year Meeting Hits Payment of Brokerage Exceeding W. U. A. Scale**

Members of the Illinois Fire Underwriters Association at the mid-year meeting in Peoria discussed a number of questions that have been before the organization at the last several meetings. Although the members expressed the belief that it would not have much influence, they adopted a resolution protesting the practice of association companies permitting class 1 agents in Chicago to pay brokerage to agents in Du Page and Lake counties in excess of the Western Underwriters Association commission scale. One of the members said that a number of companies do not have a plant in those counties and they permit their class 1 agents to "slop over." The matter was brought up in a letter from E. B. Heffran, American.

Much discussion was prompted by the question of return premiums on rerated property. The conclusion seemed to be that the filings under the new Illinois rate control law will govern and as statutory conditions become crystallized, uniform procedure will develop.

#### Confer with Bureau

A special committee, headed by James Fellows, Fireman's Fund, had been conferring with the Western Actuarial Bureau and the bureau advised against adopting any blanket rule, pointing out that it is an old problem and is one that exists in all states.

The sentiment of members, expressed informally, was that cancellation should be on the short rate basis in Lake county where the insurance on public properties is being rearranged. Apparently insurance is being reduced somewhat in amount and business is being taken away from some agents in order to let a larger number of agents in the county share in the line.

No conclusion was reached on the problem created by the refusal of the HOLC to accept policies that contain a three-fourths value clause. The association members some years ago agreed to insist upon the use of such clause in certain towns that habitually returned losses and which were faced by the loss of an insurance market unless the record was reversed. Use of the three-fourths value clause has produced decided improvement in a good many of these places.

Some of the members suggested that the Uniform Printing & Supply Co. should print unearned premium endorsement forms. Thomas A. Barbee, North America, suggested that uniform loss reinstatement endorsement forms should also be printed. These recommendations were referred to the forms committee.

The new so-called civil authority clause was discussed. Some of the field men said that agents desire that the clause should be incorporated in the uniform forms. John Chickering, agency superintendent of the Sun, said that most companies are writing to their agents, stating that all policies that are now issued are understood to have that clause.

### Allen Mills Shifted to East

**Camden Fire Announces New Arrangement for Handling Its Agency Plant in Iowa and Nebraska**

Allen Mills, state agent of the Camden Fire in Iowa and Nebraska, has been put in charge of agents in the field adjacent to the home office in Camden, N. J. He has been with the company for a number of years and is highly regarded. Nolan & Co. of Omaha become general agents

for Nebraska and most of Iowa for both the Camden and its Eastern Underwriters Department.

Mr. Mills was formerly at the head office, being connected with the underwriting department. He was sent out west.

### Reynolds Elected President

**Annual Meeting of Mountain Field Club at Denver—Herbert Cobb Stebbins Retires as Head**

DENVER — Howard A. Reynolds, Home of New York, was elected president of the Mountain Field Club. He succeeds Herbert Cobb Stebbins. S. A. McAllister, Daly General Agency, was named vice-president and C. W. Fletcher, Hartford Fire, secretary-treasurer. The following were named to the governing committee: Herbert Johnson, New Zealand, and A. J. Reed, Jr., Merchants, Colo., (holdovers), and Chester Long, Glens Falls. H. A. Amonette, St. Paul Fire & Marine, W. L. Braerton, and H. J. Helmkamp, America Fore, were elected members of the automobile committee. The other committees of the Field Club are appointed by the president, and these will be announced at the February meeting. Detailed reports given by various committee chairmen revealed excellent progress along every line.

The club paid high tribute to retiring President Stebbins for the excellent work performed during his term of office.

W. T. Christopher, who was recently retired by the American of Newark, was presented a wrist watch. The field club has jurisdiction over Colorado, Wyoming and New Mexico.

### Bjorgo, Stegner, Share Field of the Late R. J. Rademacher

In succession to the late Ralph J. Rademacher of Le Center, Minn., Western Manager C. Claussen of the London & Lancashire has appointed Orville G. Bjorgo as state agent for southern Minnesota and northern Iowa. Mr. Bjorgo has been an examiner in the western department for several years. He will have headquarters in Mankato, Minn.

Virgil F. Stegner of Sioux Falls, S. D., formerly assistant to Mr. Rademacher, now assumes jurisdiction over South Dakota as state agent and will office in his home city.

### William L. Evans Takes Mississippi Field Post

Parkerson & White, general agents at New Orleans, announce the appointment of William L. Evans as special agent in Mississippi with headquarters in the Lamar Life building at Jackson. He will maintain his home, however, in Greenville. He started his career with P. L. Hennessey & Bro., local agents at Vicksburg. Then he became engineer for the old Mississippi Rating Bureau at Vicksburg, the predecessor of the present Mississippi State Rating Bureau at Jackson. He organized the Evans-Byrne Agency at Natchez. More recently he has directed the Hunt Insurance Agency at Greenville, with which he will continue to be associated in an advisory capacity. He retains his interest in the Natchez agency, which will be managed by his partner, W. J. Byrne, the present mayor of the city.

### Security National Fire Announces Field Changes

V. A. Faires of Waco, special agent for Trezevant & Cochran, has resigned to become special agent of the Security National Fire of Galveston. He succeeds M. C. Heuerman, resigned. Mr. Faires will have his headquarters at San Antonio. He was formerly con-

nected with the checking office at Austin when that department was first organized.

Ben C. Doherty has been appointed special agent of the Security National, taking charge of the field formerly supervised by H. G. Mensman. Mr. Doherty was formerly with the Security National and traveled in the same field he will now supervise. He has been identified for the last three years with a local agency in Houston.

### America Fore Makes Shifts

**Field Changes Are Announced in the Illinois, Iowa, and Wisconsin Territories**

The America Fore announces a number of field changes in the Iowa, Illinois and Wisconsin territories.

E. R. Phillips, heretofore special agent for Niagara and First American of the America Fore group, is being transferred to southern Illinois, representing all of the companies in the group for all departments except farm. His headquarters will be in the Hoffman building, Centralia, Ill.

J. W. Lenehan, heretofore special agent for the Continental and American Eagle in Iowa, becomes state agent for Niagara and First American succeeding Mr. Phillips with headquarters in the Des Moines building, Des Moines.

A. P. Mapes, special agent in the inland marine department, succeeds Mr. Lenehan for the Continental and American Eagle in association with State Agent J. W. Hull with headquarters in the Des Moines building.

L. S. Wallace, Jr., heretofore special agent for the entire group in southern Illinois with headquarters in Centralia, is transferred to Wisconsin as special agent for the Niagara and Maryland in association with his father, State Agent L. S. Wallace of those companies. His headquarters will be at 238 West Wisconsin avenue, Milwaukee.

John Leichtenberg, heretofore special agent for all companies in the group in the southwestern sector of Wisconsin, hereafter will represent the Fidelity-Phenix and First American in the entire western half of Wisconsin. This is the present territory of Mr. Leichtenberg and Special Agent E. E. Vincent combined. Mr. Leichtenberg's headquarters will be at 718 Insurance building, Madison.

Mr. Vincent, who has been special agent for all six companies in the northwestern sector of Wisconsin, will now represent the Continental and American Eagle in the western section, sharing headquarters with Mr. Leichtenberg.

### R. L. Britt Heads Field Club

R. L. Britt of Decatur, special agent Northwestern National Fire, was elected president of the Illinois Field Club at the annual meeting in Peoria. He succeeds John Hon of Springfield, who travels for the Firemen's group. Richard Mittelbuscher of Davenport, Ia., special agent for Security of Iowa, has been elected vice-president, and L. J. Eppler, Firemen's, is the new secretary. Harry Wood, who has been transferred by the Dubuque F. & M. from Illinois to Indiana, was presented with a bill fold. Mr. Wood's successor in Illinois, F. E. Hanly, was elected to membership. Special guests at the meeting included Ralph Danforth, assistant secretary Millers National; Lloyd Brown, second vice-president Firemen's, and T. M. Hogan of Chicago, state agent Dubuque Fire & Marine.

### To Revive Rockford Unit

An effort will likely be made shortly to revive the Rockford puddle of the Illinois Blue Goose. L. J. Braman of Rockford, state agent for the Security of New Haven, spoke in favor of such a project at the annual meeting of the Blue Goose in Peoria. He asked that some of the officers of the pond visit Rockford and attempt to revive interest. The other two puddles in the state

are quite active, they being the Dan T. Smith puddle for Springfield and Decatur and the Peoria puddle.

In addition to selection of officers, headed by John Chickering, the Blue Goose elected D. J. Harrigan, St. Paul F. & M., the retiring most loyal gander, as delegate to the grand nest meeting in Los Angeles, with Mr. Chickering as alternate.

The Chicago contingent of the Blue Goose is to have a dinner dance Feb. 26 in the Lake Shore Athletic Club.

### Seattle Blue Goose Meeting

The semi-annual meeting of the Seattle Blue Goose will be held Friday of this week, there being a business meeting in the afternoon and a banquet in the evening. Most Loyal Gander M. B. Pool will preside. Those to be initiated are F. S. Melder, Washington Surveying & Rating Bureau; K. M. Wheelock, northwest manager Employers Fire; J. M. Donahue and A. E. Campbell, adjusters; H. E. Greenwood, special agent for Seeley & Co.; Carl Dahlberg, adjuster; J. M. Benedict, special agent for the Hartford Fire; Frank Martin of Yakima, Fire Companies Adjustment Bureau, and Estor Kiesewetter, special agent for the Groninger general agency.

### McLin with the Hanover

Earl G. McLin, Jr., of Birmingham, special agent for Godchaux & Mayer general agency of New Orleans, has been appointed special agent of the Hanover for Georgia and Alabama with headquarters in the Hurt building, Atlanta. He succeeds H. R. Deal, who becomes assistant secretary at the home office.

### Anthracite Club Annual Meet

The annual meeting of the Anthracite Field Club will be held Jan. 25, at Hotel Sterling, Wilkes-Barre, Pa. The principal business will be election of officers for the ensuing year. Other important business and reports will come before the meeting and plans for 1938 discussed. A full evening is planned. Special Agent Illingsworth will be in charge of a Monte Carlo night for which two prizes will be provided.

### Outline Plans for Year

About 100 members of the Kansas Fire Underwriters Association attended a meeting in Topeka to outline plans for the year. Harry Yankee of the Agricultural is president; W. E. Ehret, Wichita, America Fore, vice-president, and George E. Shank, Topeka, Fireman's Fund, secretary.

### American's Enthusiastic Rally

The annual field roundup of field men in the western department of the American of Newark in Rockford, Ill., last week was the most enthusiastic of any such conference that has been held in the past. The opportunities and possibilities in the inland marine line were emphasized throughout the meeting and the field men got a better grasp of this

business and were stimulated to push its sale. The speakers emphasized the importance of field men getting across to agents the conception of the service that must be rendered by the middle man. Assisting Western Manager Robe Bird at the meetings were President Paul B. Sommers and Assistant Secretary L. E. Kietzman.

### Spokane Specials Elect

SPOKANE, WASH.—J. T. Breckon, Springfield F. & M., was reelected as president of Spokane Special Agents Association. F. J. Kuttler, New York Underwriters, is vice-president; E. M. Leonard, America Fore, secretary; J. G. Ellingson, C. B. DeMille general agency, treasurer.

### Take New Quarters in Seattle

The Atlas, Fire Association and American of Newark field men in Seattle have moved into new quarters at 886 Dexter Horton building. Howard Spear of the Atlas will divide his territory with J. K. Robinson, special agent, formerly of Portland, who is taking over the western Washington field.

### Bay State Club Elects

The Bay State Club, composed of Massachusetts field men, at its annual meeting in Boston heard a talk on the Service Men's Protective Association by C. C. Hewitt of Boit, Dalton & Church, and elected the following officers: President, C. A. P. Johnson, Travelers Fire; vice-president, C. D. Smith, America Fore; secretary, L. P. Marsh, Home; treasurer, R. C. Parker, Agricultural.

### Swansick to Ohio

Douglas Swansick of St. Paul will be transferred to Columbus, O., as a temporary assistant to Special Agent H. L. Rubrecht of the St. Paul Fire & Marine. Mr. Swansick has had 11 years experience in various departments of the home office.

### Oklahoma Committee Chairmen

Committee chairmen named by President P. J. Slater of the Oklahoma Fire Underwriters Association include: Contact, T. Ray Phillips, America Fore; automobile, Harry Cooley, Travelers Fire; Business Development, John A. Bosdett, Royal-Liverpool group; hail, R. E. L. Mugg, Home; cotton, Frank Carey, Trezevant & Cochran; competition, J. A. Wilkinson, Kansas City Fire & Marine; loss, T. E. Earp, Fidelity & Guaranty; farm, Coke Witt, Hartford; mixed agency, E. P. Goetzinger, Century; rules, R. M. Senn, St. Paul; inland marine, R. W. Kendall, American.

### Soderberg with America Fore

John A. Soderberg of Seattle has been named as special agent covering western Washington for the America Fore. He was formerly resident engineer in Seattle for Cosgrove & Co., and was also with the Washington Survey & Rating Bureau.

### S. E. Graves Transferred

S. E. Graves, who has represented the Traders & General of Dallas in north Texas, has been appointed special agent for southwest Texas, with headquarters in San Antonio.

### Nebraskans Study Standard Policy

The Nebraska Field Men's Study Club held its monthly meeting in Omaha on Monday. Earl Jorgenson, state agent Travelers Fire, and John S. Little, adjuster for Hartford Fire, were in charge. The topic was "The Standard Fire Policy."

### Covers Kansas from Wichita

George T. Fisher, Kansas state agent for the McKnight General Agency of Enid, Okla., has established Kansas headquarters at 817 First National Bank building, Wichita, to which all Kansas business will be reported. Fire compa-

nies represented are the California, Commonwealth and Halifax. C. C. McKnight is continuing his office in the Bass building at Enid, where he personally supervises the Oklahoma business. Mr. Fisher, who joined the McKnight organization last fall, has had some 25 years experience, starting with the Kansas Inspection Bureau, and later being connected with local agencies in Wichita and Salina.

### San Francisco Dinner Dance

A formal dinner dance sponsored by the San Francisco Blue Goose will be held Feb. 7. H. D. Haupt, president Reinsurance Underwriters, is chairman of the entertainment committee.

A sound movie, prepared by a sprinkler company, was presented at the meeting of the San Francisco pond Monday. Tom Larke, Jr., broker, presided.

### Dieck Joins Republic in N. J.

G. E. Dieck, who formerly traveled for the Firemen's in the New Jersey territory, has joined the Republic of Texas as special agent for New Jersey.

### Kansas Preventionists Meet

The Kansas Fire Prevention Association held a meeting in Topeka to outline plans for the year. J. G. Updegraff,

secretary, reported on the results of the Fire Prevention Week contest of the N. F. P. A. in which Kansas was second in the number of individual town reports submitted, four of which were graded about 80 percent. E. B. Fergus, Wichita branch manager of the Kansas Inspection Bureau, was elected honorary vice-president of the association.

### Tesche With Royal Exchange

Henry W. Tesche has joined the Royal Exchange as special agent and will cover New York state territory from Newburgh to Albany for the Royal Exchange and Provident Fire, and New York suburban territory for Provident Fire. He will also represent the Car & General in these localities. Mr. Tesche was formerly associated as special agent with the Scottish Union for 10 years, and with Hall & Henshaw for about four years.

### W. W. Foster to Minnesota


Warren W. Foster has been appointed Aetna Fire special agent in Minnesota succeeding E. J. Lorenzen, who resigned recently to take another position. Mr. Foster has for a number of years served in various divisions in the western department office. He was born in Minnesota. He will be associated with

*Every Now  
and Then*

Every now and then we like to remind you of the outstanding Board of Directors this company has.

Individually, these men are leaders in their respective lines of endeavor. Collectively, they provide a diversified cross-section of successful business experience.

This Board directs all the affairs of the Kansas City Fire & Marine—in a manner that consistently reflects balanced thinking, sound judgment, and long-range vision. By the way, are YOU one of our agents?



*Directors  
of*

**KANSAS CITY  
FIRE & MARINE**

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**KANSAS CITY  
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CHICAGO OFFICE:  
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### AVAILABLE

Senior Accountant. Young man, now employed, thoroughly experienced in Fire and Allied Lines, Home Office and General Agency. Capable of assuming complete charge.

ADDRESS H-5, NATIONAL UNDERWRITER

### WANTED

Special Agent for New York State, outside Metropolitan District. About 35 years old, experienced and with productive contacts in this territory. Old established fire company. Reply strictly confidential.

ADDRESS H-3, NATIONAL UNDERWRITER  
123 William Street, New York City

### WANTED

Special Agent for Arkansas, Louisiana and Mississippi by leading mutual fire insurance company. Applicant should have field or local agency experience and be not over age 35.

ADDRESS H-7, NATIONAL UNDERWRITER



State Agent Lucky in the McKnight building, Minneapolis.

### Ohio Public Speaking Course

The Ohio Fire Prevention Association has arranged for a short course in public speaking in Columbus Jan. 31-Feb. 1. About 100 will take the course. H. K. Rogers of the Western Actuarial Bureau, Chicago, will be the instructor.

The association will inspect Zanesville Friday and Coshocton Feb. 2.

### FIELD NOTES

The Nebraska Fire Prevention Association will inspect **Nebraska City** Feb. 10. H. K. Rogers will be the principal speaker.

Two fire prevention inspections have been arranged by the **North Dakota Fire Prevention Association** on Feb. 8 and 9 at Mayville and Hillsboro, N. D.

The women's auxiliary of the **Sunflower Puddle of the Blue Goose** held its first monthly luncheon-bridge of the year in Wichita with about 25 present.

**A. L. Owen**, Virginia special agent of the Alliance and Philadelphia Fire & Marine, spent last week at the home office in Philadelphia.

**J. P. Hershberger**, state agent Royal at Columbus, O., has been elected president of the Upper Arlington, O., board of education. He was vice-president last year.

### Brokers' Officers Installed

G. F. Sullivan, president, and all the other officers of the General Brokers Association of Metropolitan District, who were reelected, were formally installed at ceremonies conducted at the headquarters office by E. W. Roberts, publisher of the "Insurance Advocate." P. E. Kramer was appointed chairman of the grievance committee; W. J. McLaren, auditing; J. A. Cohen, compensation; Leonard Jacobs, annual medals; Mr. Cohen, public projects; Abraham Prussoff, budget; H. K. Weiss, joint committee on commissions paid by three taxpayers associations; J. F. Nubel, membership; Mr. Cohen, legislative; S.

N. Schwartz, headquarters; H. K. Weiss, educational qualifications; Mr. Schwartz, insurance department contacts; Mr. Schwartz, compulsory automobile insurance, and Paul Simon, special assignments.

### Fleming, Sheppard on Air

T. A. Fleming, head of the conservation department of the National Board, and R. R. Sheppard, electrical engineer for the Underwriters Laboratories, were heard over station WNEW, New York City, Tuesday evening of this week in a broadcast from the Citizens Forum. "Fire, Can We Prevent It?" was the topic. Each spoke about seven minutes and then answered questions from the audience for about 15 minutes. This was one of the standard programs of the Citizens Forum.

### Wind Loss Trial Commences

CINCINNATI—Trial of the suit of Stacey Brothers Construction Company, Cincinnati, against the Pearl for \$100,000 claimed under a windstorm policy has begun before Federal Judge Druffel here. The plaintiffs allege that a storm Sept. 30, 1936, destroyed a gas holder at Dearborn, Mich., which the firm was constructing for the Ford Motor Company there, and two trammel derricks, causing \$165,000 total damage on which \$100,000 insurance was carried. The Pearl alleges that there was no wind of a magnitude to cause the damage on that date. It is anticipated the trial will last into next week.

**C. C. Fulton, Sr.**, father of President **James A. Fulton**, and Vice-president **C. C. Fulton, Jr.**, of the Home Life of New York, died unexpectedly at his office in Dover, Del., where he was secretary-treasurer of the Kent County Mutual Insurance Company for many years. He was in apparent good health and active in business up to the day of his death. He was born in 1855.

## Syracuse Field Club Snaps



Franklin Sidway of the Fireman's Fund turned up at the New Year's party of the Syracuse Field Club at Syracuse, N. Y., with a camera and supply of photo flash bulbs. He made a number of snaps of the party. The upper panel is a group picture of one of the tables during the dinner before the

show. The lower panel shows P. D. Fogg, Travelers Fire, retiring president of the Syracuse Field Club, and Charles A. Collins, National Fire, the latter taking the role of a rating organization manager in the skit, imitating Lawrence Daw. Good spirit exists among field men, located in Syracuse.

## The TOKIO

MARINE AND FIRE INSURANCE COMPANY, Limited

Established 1879

United States Fire Branch: 80 John Street, New York

J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agent

U. S. Statement December 31, 1936

PREMIUM RESERVE .....	\$ 2,062,920.87
OTHER LIABILITIES .....	718,094.12
SURPLUS TO POLICYHOLDERS.....	11,097,829.98
TOTAL ASSETS .....	13,878,844.97

Bonds & Stocks valued on New York Insurance Department Basis. Securities carried at \$623,635.21 in the above statement are deposited in various States as required by law.

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch

Manager Brokerage and Cook County Depts.

### Embarrassed by the Name

Associated Adjustment Bureau of Springfield, Ill., Confused with Associated Adjusters of Milwaukee

The Associated Adjustment Bureau, 619 East Capitol avenue, Springfield, Ill., finds itself in an embarrassing position since the Associated Adjusters of Milwaukee had a hearing before the post-office department and in view of the Milwaukee outfit's different sorts of publicity. The Associated Adjustment Bureau naturally has no connection with the Milwaukee concern. C. A. Livingstone and C. A. Moore organized the Associated Adjustment Bureau in 1929, after having previous experience of about 15 years. In 1930 it was incorporated under the Illinois law. It has grown from a small organization to such an extent that it covers all of Illinois outside the extreme northern part of the state and the Chicago metropolitan district. It has offices at Joliet, Decatur, Marion, East St. Louis in addition to those at Springfield. It has 14 competent, experienced adjusters working out of these offices, all of whom are on a salary. The Associated Adjustment Bureau has been deluged with inquiries

because of the similar name of the Associated Adjusters.

### SAN FRANCISCO FIRM AFFECTED

SAN FRANCISCO—The Associated Adjusters of San Francisco, which has been established for eight years and which operates solely as an adjustment organization for the companies, has been considerably embarrassed by activities of the Associated Adjusters of Milwaukee, according to Niles C. Cunningham, attorney for the San Francisco organization. Mr. Cunningham estimated that approximately 1,000 persons in this section sent \$5 fees to the Milwaukee organization for the privilege of being placed in the adjusting business in "exclusive territory," and his office is now receiving many calls and inquiries from "victims" of the Milwaukee firm. L. E. Hathaway is owner of the San Francisco firm, for which Mr. Cunningham is the attorney.

A. G. Rose has withdrawn from the Morgan County Insurance Agency, Mooresville, Ind., and established an independent agency. He has been in the insurance business in Mooresville since 1895.

The Farmers Mutual Fire of Saginaw County, Mich., in renewing its charter for 20 years, decided to include the adjacent county and change the name of the carrier to the Farmers Mutual Fire of Saginaw & Midland Counties.



## Farmers Mutual Conforms to Illinois Rate Regulation

The Farmers Mutual Reinsurance of Chicago, the fire company that is affiliated with the Illinois Agricultural Association and which is a major factor in the farm business in Illinois, has radically revised its method of operation to comply with the fire insurance rate regulation article of the new Illinois insurance code.

Heretofore Farmers Mutual Reinsurance has been issuing an assessable policy with a low initial rate but with no dividend. Now it is issuing a non-assessable policy, the initial rate being the same as that employed by the tariff companies. According to the management, dividends will be paid if earned. Farmers Mutual Reinsurance has joined the Illinois Inspection Bureau. Although the company gets some of its business by way of reinsurance of county and township mutuals, it does a large direct business.

Heretofore in northern Illinois Farmers Mutual Reinsurance has been charging a rate of 40 cents per year for straight fire insurance. Practically all of its business has been on the straight annual basis.

Now it is charging 75 cents per year for the fire portion. It will feature the five year policy, the cost of which is three annual premiums paid in advance with an initial outlay of \$2.25.

The five year installment plan is also being issued, the cost of which is three annual premiums plus 20 percent, payable in five equal annual installments.

The rate regulation article does not cover lines other than fire and Farmers Mutual Reinsurance will continue to quote competitive rates for windstorm coverage. Heretofore it has been charging 15 cents annually for wind insurance in northern Illinois. Now it will charge 25 cents, making the cost of the wind feature in connection with the five year policy 75 cents.

Farmers Mutual Reinsurance will also follow the bureau rate for straight fire insurance in the three southern Illinois territories and will charge 25 cents annually for windstorm coverage in that section.

## Hartford Board Annual Meeting

HARTFORD—W. H. Wiley, Tuller-Wiley agency, was reelected president of the Hartford Board of Fire Underwriters at the annual meeting. Paul L. Avery, J. T. Farrell agency, is vice-president; Edward Cowles, Jr., E. S. Cowles & Son, is secretary. The executive committee consists of T. S. Oakes, chairman; B. J. Mahoney, Edwin A. Aishberg, C. B. Rice and N. H. Weinstein.

In his annual report Mr. Wiley referred to the fact that associate memberships have been created for agents who have no direct contract with a fire company and who do not maintain an office of their own. Mr. Wiley expressed the belief that there are many legitimate agents of this description. A new by-law was added providing for a standing membership committee of five. Following the business meeting, the entertainment committee took charge.

## Farewell for Cornelius Smith

OKLAHOMA CITY—The Oklahoma Blue Goose is giving a farewell dinner Jan. 24 for Cornelius M. Smith, who is being transferred by the Springfield to Iowa as associate state agent. Mr. Smith is the immediate past most loyal gander of the Oklahoma pond.

## Home Pays Extra

An extra of 15 cents and the regular quarterly dividend of 25 cents will be paid by the Home Feb. 1 to stock of record Jan. 17.

## Kansas City F. & M. Conference

KANSAS CITY—Field men of the Kansas City Fire & Marine were at the home office to go over production

## Again Heads Farm Underwriters Association



C. E. PARKS

C. E. Parks, farm manager of the National of Hartford, was reelected president of the Farm Underwriters Association at the annual meeting in Chicago. Mr. Parks is a man who is thoroughly grounded in the business, whose judgment is relied upon and who is always counted upon to aid in constructive undertakings in the farm business.

and other problems of the new year with O. P. Rush, vice-president, and other executives. Employees and field men were guests of Mr. Rush at a party in his home.

## Approve Extended Coverage

NEW YORK—The Middle Department Rating Association has approved the extended coverage endorsement, which is designed to supplant the supplemental contract, and it is expected all other jurisdictional bodies in Eastern Underwriters Association territory will soon take similar action. Because of different underwriting conditions in the south, notably with respect to windstorm cover, certain modifications in the extended coverage endorsement will be made before it is sanctioned by the Southeastern Underwriters Association.

## America Fore Chicago Rally

The annual field conference of the western department of the America Fore group will be held in Chicago next week with Vice-president and Western Manager E. A. Henne, presiding. Several executives from the east are expected to participate.

## L. A. Tonnies Is Visitor

L. A. Tonnies, assistant secretary Western Fire, from the home office in Fort Scott, Kan., is in Chicago visiting the central department of which H. A. Petersohn is manager. Mr. Tonnies will be in the city about four days. He is on a tour visiting offices throughout the middle west. R. F. Welch, special agent for Wisconsin, was also in Chicago the early part of the week.

J. M. Besterman, Indiana special agent of the Rhode Island, was called Tuesday morning to Pittsburgh by the death of his mother, who had been ill for several weeks.

H. O. Caughey has purchased the William Felger agency, West Unity, O.

Mrs. Le Roy Scriven of Wichita will continue the agency of her husband, who died suddenly two weeks ago.

The Stafford L. Rice Insurance Agency, Cincinnati, has been incorporated by Mr. Rice, W. L. Eckrote and C. A. Ott.

C. D. Palmer, Kirkpatrick Insurance Agency, Columbus, O., has been chosen president of the Cooperative Club there.

# 1794 1938

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RELIABLE  
Fire Insurance Co.  
OF DAYTON, O.

## EDITORIAL COMMENT

### Sitting on the Rail Fence with the Farmer

THIS week the insurance fraternity will sit beside the familiar old farmer on the rail fence and figuratively, at least, will "spell" him once in a while, while he is employing his scythe in cutting grain. In other words this week marks an important event in the career of the OHIO FARMERS of LeRoy, O. It is rounding out 90 years of continuous operation.

The company is unique, unusual and colorful. Its office is located in a rural village where there is no railroad. It started as a small farm mutual and due to excellent management, vision and ambition it is now a company of over \$5,000,000 assets and upwards of \$2,000,000 surplus. As it traversed the way it decided to have a running mate and organized the OHIO FARMERS INDEMNITY largely to write the casualty end of automobile insurance.

Strolling about LeRoy at night with the lights shining in the buildings one can well imagine he is in a college campus. Around the campus, if we may so call it, are grouped the buildings associated with the company. There are the home office structures, the public school, the churches, the hotel and the women's dormitory.

The OHIO FARMERS is LeRoy and because of the income the village gets from taxes levied on the company it is able to provide all the modern conveniences. The OHIO FARMERS even now has its golf course.

### Liberalization for the Farm Policies

THE action of the FARM UNDERWRITERS ASSOCIATION at its Chicago meeting in approving extended coverage for farm risks and liberalizing forms in many respects indicates the progressive mind of those interested in this branch of underwriting. The farm managers deserve much credit for pulling farm insurance out of the doldrums, out of the red and more or less chaos, making it a well ordered, well operated and now a reasonably profitable branch.

Farm insurance is a decided specialty. It must be handled by specialists or other-

The reason that the OHIO FARMERS has made progress is not because it was started in 1848 and, therefore, has acquired the dignity and prestige of age but along with its years it has always had a progressive and far seeing management. It has been a company well and ably conducted. It has injected into its veins from time to time the blood of youth and marched forward with the daily progression of events.

The OHIO FARMERS is an institution that could only have been evolved on American soil. It is a typical American enterprise. It is a company that has always lent a ready ear to the voice of its agents. It has studied their problems as well as administrative questions. Always in a bucolic environment it has not become artificial. It is symbolic of the "home folks." It has kept its roots imbedded deeply in the soil of its fruitful community. There has never been anything arrogant, autocratic, snobby or bombastic about the company. Fortunately it has maintained its plain, simple virtues and has glorified in being an enterprise not wrapped around with purple garments nor glittering ornamentation.

The OHIO FARMERS is typical of its locality. We all can gain much by studying the elements that have made it successful. And so we take our hats off to the OHIO FARMERS on this very delightful occasion when it is celebrating this week at its home office.

wise it soon becomes sour. The FARM UNDERWRITERS ASSOCIATION has moved along in its liberalization as rapidly as it felt practical and consistent. It must be recognized that the farm class differs in many respects from the commercial risks. The farmers certainly deserve as much as can be given to them. The action of the FARM UNDERWRITERS ASSOCIATION certainly shows that it is progressive. In recent years it has done much to make this business more desirable but it had to apply very heroic measures in dealing with underwriting practices.

### Benefactions of Insurance for Last Year

INSURANCE men need once in a while to get a baptism of faith in their business and to realize that it is a great industry of magnificent proportions. Sometimes we do not appreciate its largeness, the extent of its benefactions, the great service that it renders and the power that it exerts. Vice-president B. D. FLYNN of the TRAVELERS calls attention

to the fact that last year insurance companies of all kind dispersed to claimants \$2,783,000,000. One of the interesting features of his report is that payments under automobile policies exceeded those under either personal accident or workmen's compensation last year. This was due to the increase in automobile accidents. The

fact that nearly \$3,000,000,000 was paid out to policyholders or beneficiaries last year makes a graphic showing as to the

extent, greatness and largeness of insurance, and the indispensable service that it renders.

### Getting an Early Start in the Year

WE ARE all prone to procrastinate and to convince ourselves that delays are not dangerous. For instance, take insurance salesmen. During the first two months in the year there is usually a disposition to relax, rest on one's oars and become convinced that the big work is to be done later on. This, we think, is a very great mistake. One loses momentum by taking time off during the first two

months with the thought that great strides can be made later on. In many cases the most effective production work can be accomplished early in the year. There should be consistent, continuous, systematic effort and not allow any month of any part of the year to become a time for strain and pressure. As one person puts it, "The earlier you get to work the better your year will be."

## PERSONAL SIDE OF BUSINESS

Walter Willam, president of Consolidated Insurance Agency, has been nominated for president of the Seattle chamber of commerce.

Carroll L. DeWitt, who retired as assistant United States manager of the Eagle Star, and Mrs. DeWitt have taken a cottage for the winter at 600 Earl street, Daytona Beach, Fla. Mr. DeWitt is doing considerable fishing and from reports he is meeting with much success. Near neighbors to the DeWitts are W. J. Sonnen of Chicago, former manager of the Chicago department of the St. Paul Fire & Marine, and Mrs. Sonnen.

J. F. McCargar of the McCargar Morse Agency of Council Bluffs, Ia., has been ill for more than a month and has been unable to be at the office.

J. G. Updegraff, Topeka, state agent of the Royal, has been elected senior warden of Grace Cathedral, Episcopal Church. He was junior warden the past year. August Wahl of the Meade Investment Co., local agency, was elected vestryman. He is also treasurer of the church.

H. L. Manson, 71, in adjustment bureau work in Atlanta for 22 years, who retired from service with the Fire Companies Adjustment Bureau in 1929, died there.

J. M. McCormack, who was ousted from office as insurance commissioner of Tennessee by the governor because he was backed by E. H. Crump, the Memphis Democratic leader, has not formulated any definite plans as to his future. It may be that he will connect at the head or branch office of some insurance company or he may return to the general agency business at Memphis where he was formerly located. Mr. McCormack is recognized as one of the best commissioners that Tennessee has ever had.

Charles H. Roloson, Jr., president of the Central Fire of Baltimore, one of the North America group, was feted on the occasion of the 35th anniversary of his connection with the company. On that day his office was decorated with flowers and a number of complimentary new risks were presented to him. He was tendered a surprise luncheon by his fellow officers and then he was guest of honor at the second annual dinner of the junior board of directors of the

Central Fire. Attending that meeting were also the field men from the eastern states who were at the home office for a conference. Mr. Roloson joined Central Fire in 1903 as a junior clerk at the age of 15. He became assistant secretary in 1912, secretary in 1917, director in 1921, vice-president and secretary in 1926 and president in 1930.

Commissioner DeCelles of Massachusetts is compelled to go about his duties on crutches for two or three weeks. The plantaris muscle of his left leg was strained in a strenuous game of handball and foot and ankle have been placed in a plaster cast.

E. S. Inglis, vice-president of Corroon & Reynolds, left San Francisco Jan. 16 for Los Angeles, following a week's conference with R. R. Chapman, Pacific Coast manager of the Corroon & Reynolds companies and vice-president of Corroon & Reynolds of California. Mr. Inglis will leave for Chicago after several days' stay in southern California. He will attend a conference of the company's field men in the middle west territory in Chicago Jan. 24-25.

John Hosking, who recently resigned as assistant United States manager of the Century, is vacationing in the south.

W. C. Theimer, Oklahoma state fire marshal, has been confined to his home for several weeks with an attack of jaundice.

Jess G. Read, Oklahoma commissioner, has been called to Scottsville, Ky., by the serious illness of his brother.

W. E. Hodnett, prominent local agent of Lincoln, Ill., is preparing to leave in a week or so on a freight boat for Puerto Rico. He expects to embark either at New Orleans or Mobile.

C. A. Randall, state fire marshal of Nebraska years ago under whose administration the first fire prevention program was launched, died at his home in Lincoln.

W. L. Unverzagt, the oldest insurance agent in Pittsburgh, will observe his 80th birthday Feb. 18. He has represented the Metropolitan Casualty and its predecessor, the Metropolitan Plate Glass, since 1878, and has been an agent of the Allemania Fire since 1892. He

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wrote the first plate glass insurance in this city. He is the father of G. W. Unverzagt, president of the Allemania and manager of the Allegheny county department of Crum & Forster; and of W. C. Unverzagt, secretary of the Atlas Corporation, general agent of the Commerce.

**Charles K. Foote**, veteran member of the Wichita Insurors and a past president and secretary of the Kansas Association of Insurance Agents, has been elected president of the Wichita Exchange Club.

**O. E. Coon**, 41, manager of the insurance department and partner in the J. C. Hoyt & Co. agency of El Dorado, Kan., with which he had been associated for 20 years, died there from a heart attack. He had spent his entire business career with the Hoyt agency, joining the office on his discharge from the army. He was a brother-in-law of O. D. Butcher, Kansas state agent of the Hartford, and had been active in the Kansas Association of Insurance Agents. Special and local agents from Wichita, Topeka and Kansas City attended the funeral.

**Roy Stone**, Fairfield, Ia., southeastern Iowa state agent of the Firemen's, is recuperating from injuries suffered in an auto accident. He will be off the road for a few days.

**Russell D. Cooke**, 85, for many years a Marietta, O., agent and special agent for the National Liberty in southern Ohio, died at his home there. Mr. Cooke retired from business two years ago when he disposed of his agency.

**Thomas R. Collins**, head of Martin Collins Son & Co., St. Louis agency, has presented the Masonic jewels which were bequeathed to him by his father, the late Martin Collins, former sovereign grand inspector general in Missouri for the Scottish Rite Masons, to F. C. Donnell, deputy of the supreme council in Missouri, to be by him held and transmitted to his successor. T. R. Collins is a 32nd degree Scottish Rite Mason.

**W. L. Stiles** of the Piper & Stiles agency, San Antonio, Tex., has been installed as eminent commander of San Antonio commandery of the Knights Templars.

**S. G. Stevens**, 71, a brother of George C. Stevens of Stevens & Hopps, United States general agents for the Pearl, died at the home of his brother-in-law, Roland Lea in Amherst county, Va. S. G. Stevens was general agent for the Pearl for Virginia and North Carolina with headquarters in Lynchburg, Va. He had been in the insurance business in Lynchburg 40 years.

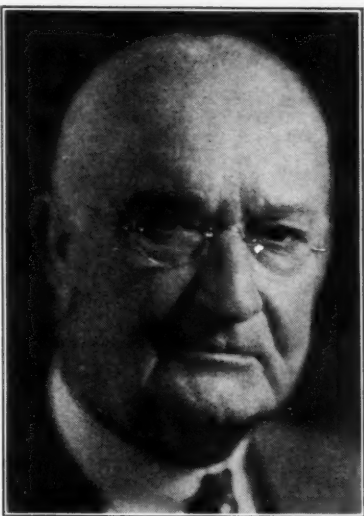
**Wade Patton** of Hutchinson, for many years secretary of the Kansas Association of Insurance Agents, is again at his desk following two weeks' illness caused by the recurrence of an old stomach ailment which struck him during the Christmas holidays.

**L. H. Bridges**, in charge of the hail business in the farm department of the Home of New York group at Chicago, who suffered a stroke and is in St. Francis Hospital, Evanston, Ill., is now on the mend. He has recovered his speech and is regaining the use of a leg and arm that were paralyzed. Mr. Bridges is a former most loyal grand gander of the Blue Goose.

Charles Wesley Leonard has been born in Atlanta to **George B. Leonard**, manager southeastern department of the National Union Fire. The youngster is named after his paternal grandfather.

**George C. Peery**, who retired as governor of Virginia this week, was for several years a member of the state corporation commission with supervision over insurance matters. He is succeeded by **J. H. Price**, well known in Virginia

## Field Rally Feature of 50th Year Activities



GEORGE H. BELL

One of the important activities in connection with the celebration this year of the golden anniversary of the western department of the National of Hartford will be a round up of all field men in the territory in Chicago, March 1-3. This is the first time that there has been such a get together. The practice heretofore has been to hold regional conferences with field men or to call them into Chicago a few at a time.

Western Manager George H. Bell is planning a well integrated two-day program, with a banquet the first evening. On the third day the field men will be free to have individual conferences with officials and department heads. President F. D. Layton and Jarvis W. Mason, advertising manager, are expected to be on hand from the head office.

### Expect 85 at Sessions

The field men will be installed in the Union League Club. About 85 are expected to attend the various sessions.

Much interest has been evinced on the part of agents who have received from the National a replica of the letter sent by the then president, James Nichols, on Jan. 6, 1888, announcing the appoint-

insurance circles, who has been for many years an adjuster for casualty companies. While a member of the Virginia legislature he helped to pilot the workmen's compensation act through that body.

Those who attended meetings of the National Association of Insurance Agents come in contact with **C. W. Varney, Sr.**, of Rochester, N. H., well known local agent. His son, C. W., Jr., who is connected with the agency, has appeared in the society columns as his engagement to Miss Marjorie Wainwright of Rockville, Conn., is announced.

**Richard M. Bissell**, president of the Hartford Fire, is making excellent progress toward recovery from the illness which overtook him during a vacation at Yeamans Hall, near Charleston, S. C., some weeks ago. No plans have yet been made for his return to Hartford, and it is expected that he will remain in South Carolina for another month or two. He is maintaining close contact with affairs at the home office at Hartford.

**C. B. White** of Seattle, former head of the Washington Insurance Agents League, has been named as the fusion candidate for King county Republican chairman. Mr. White made a strong race for insurance commissioner in the Republican primary in 1936.

ment of Fred S. James as head of the newly created western department. This letter was discovered in the records of an agent in Nebraska and officials of the National believe that it is probably the only one in existence. It reads:

"On the first day of January the 'National' reinsured the business of the Washington Fire & Marine Insurance Company of Boston, for the states of Ohio, Indiana, Illinois, Kentucky, Tennessee, Michigan, Wisconsin, Minnesota, Iowa, Missouri, Kansas, Nebraska, and Dakota, and at the same time appointed Mr. Fred S. James, of No. 174 La Salle street, Chicago, its general agent for the above territory.

### Effect of Reinsurance Deal

"Your daily reports will be made and all correspondence forwarded to the home office until the first day of February next, after which time reports will be made to the department headquarters. There will, however, doubtless, be some transactions during the present month with Mr. James, and we therefore notify you of the appointment, that you may give him the same courteous treatment you have always extended to us.

"Doubtless this departure by the 'National' is a great surprise to you, and we assure you that it was not contemplated by us until the reinsurance of the Washington made it a necessity.

"We are exceedingly fortunate in securing the services of Mr. James, whose long experience renders him very valuable to us, and he doubtless will prove valuable to you in many ways impossible to us by our location so far from your agency.

"We will shortly address you again more in detail, giving you full instructions as to our wishes in the matter of reports, remittances, and other correspondence.

"Our new policy pleased you well, and our new general agent, we trust, will please you better, so that we feel assured the new departure will add to your interest in the 'National,' and will enable you to give us a handsome increase of business."

## Corporation License Bill Not to Affect Insurance

NEW YORK—Should the bill offered in the upper house of Congress by Senators O'Mahony of Wyoming (D), and Borah of Idaho (R), proposing in effect a federal license for all corporations transacting an interstate business, be passed, insurance companies would not be affected. The famous U. S. Supreme Court decision in Paul vs. Virginia case holds insurance is not interstate commerce, and there is little likelihood that this old ruling will be reversed.

The suggestion, designed as a means to check monopolies, is not new. President Taft favored the idea years ago, and President Wilson expressed a similar opinion in his first term.

### Fire Department Instructors Rally

About 190 representatives from 27 states attended the annual Fire Department Instructors Conference in Memphis. This was the most enthusiastic meeting that has been held so far. The 1939 meeting will also be held in Memphis.

R. E. Vernor, manager fire prevention department of the Western Actuarial Bureau, was chairman of the conference and J. Burr Taylor, Mr. Vernor's assistant, is secretary. Those two and H. K. Rogers of the actuarial bureau took a prominent part in the Memphis meeting. Clarence Goldsmith, assistant chief engineer of the National Board, also participated and there were 32 representatives of 17 rating and inspection bureaus on hand.

The motion picture "Approved by the Underwriters" was shown.

The Boyd & Halsted agency, Toledo, O., has been incorporated by John O. Halsted, T. K. Boyd and Isabelle K. Cornish.



*Balboa, intrepid 16th Century explorer, symbolizes the vision, enterprise and courage that have built the great Pacific West. Appropriately, his historic figure dominates the official seal of PACIFIC NATIONAL—modern, progressive 'Pioneer.'*

★ ★ ★

● To agents who plan soundly for the future, and carry out their plans with diligence and determination, active affiliation with PACIFIC NATIONAL exerts a strong appeal.

● The record of Pacific National makes it one of America's strongest, most progressive companies.

● Now we enter the New Year with eyes on a new and even wider horizon—deeply grateful to our Agents and Brokers for their loyal share in past achievements—extending a welcoming hand to others equally progressive, who are qualified to . . .

GROW WITH US DURING 1938

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DREXEL BUILDING  
PHILADELPHIA

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# The NATIONAL UNDERWRITER

January 20, 1938

CASUALTY AND SURETY SECTION

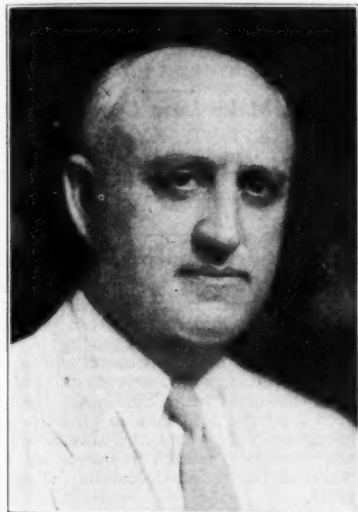
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## Iowa Commissioner Joins Casualty Executives Body

**Ray Murphy, Former Legion Head, Becomes Assistant General Manager**

NEW YORK.—Acceptance by Ray Murphy, insurance commissioner of Iowa and past national commander of the American Legion of the position of assistant manager of the Association of Casualty & Surety Executives, is announced by General Manager C. W. Fairchild.

Mr. Murphy, who will assume the office about Feb. 15, in addition to aiding in expanding the executive responsibil-



RAY MURPHY

ities of the association, will do public relations work in the field.

His accession to the organization is recognized as a major step in its program for advancing the public interests of the stock casualty and surety business. Before coming to this city Mr. Murphy will resign as commissioner, a position he has held since 1935. He was an active participant in the affairs of the National Association of Insurance Commissioners, having served as chairman of its committee on uniform codes, and as a member of the committees on examinations, fraternalism, taxation and valuation of securities. He was as well chairman of zone four, under the examination plan.

### Foe of Unlicensed Folk

Mr. Murphy conducted a vigorous campaign in his state against unauthorized insurance. At his initiation remedial legislation has been obtained in respect to insurance matters, including amendment of investment statutes, and requirements for strengthening of dom-

(CONTINUED ON PAGE 30)

## Missouri Decision Is Blow to Lay Adjusters

Present methods of casualty companies in adjusting claims in Missouri were held to constitute, in a number of particulars, the unauthorized practice of law, in a decision handed down by Circuit Judge Dinwiddie in Columbia, Mo.

The action, begun last summer upon the petition of six mutual casualty companies for a declaratory judgment as to what constitutes the practice of law in Missouri, was decided upon a cross-bill filed by the defendants—Boyle G. Clark, general chairman of bar committees of Missouri, and the members of his advisory committee. The petition for declaratory judgment was dismissed.

### Appeal Is Filed

W. S. Hogsett, counsel for the companies—Liberty Mutual, American Mutual Liability, Lumbermen's Mutual Casualty, Hardware Mutual Casualty, Employers Mutual Liability, and Employers Mutual Indemnity—filed an appeal which will take the case to the Missouri supreme court.

The activities which the decision finds to constitute the practice of law in Missouri are:

1. Adjustment and settlement of claims against said companies' insured, and negotiations with claimants in respect thereto.
2. Selection and preparation of releases, covenants not to sue and contracts or agreements for the settlement or compromise of claims against the companies' insured, and other like documents affecting secular rights.
3. Advising said companies, or their insured, of their or his legal rights.

### Workmen's Compensation Hearings

4. Appearances before the workmen's compensation commission of Missouri, together with the presentation of the legal rights of others therein, at formal or informal hearings before said commission, or one of said commissions.

5. Determination of whether or not said companies' particular insurance contract covers a particular casualty of the insured.

6. Determination of legal liability and the extent and nature thereof, for the company, or the insured, or both.

An order was issued enjoining the companies from engaging in any of these activities, through lay employees, in the future. Operation of the injunction was stayed until final decision is had in the higher courts.

### Some Practices Excepted

Four common types of insurance activity were declared not to constitute the practice of law in Missouri. They are:

1. Detection; the discovering of witnesses and evidence; taking photographs, statements of witnesses, and acts of a like nature.
2. Appraisalment of damage to physical property where liability is undisputed.
3. Procuring execution of prepared instruments, where the lay employee exercises no discretion in selection or preparation; and payment by delivery of check, draft, or payment of money in discharge of claim.
4. Determination of or recommenda-

tion of amount to be set up as a reserve on various claims.

Two advisory judges, McAfee, St. Louis, and Dearing, Potosi, sat with Judge Dinwiddie throughout trial. Judge McAfee, who has recently retired from the bench to enter private practice, concurred in Judge Dinwiddie's findings. Judge Dearing, although illness prevented his being present for the decision, presented an advisory opinion disagreeing strongly with the findings of the court.

His opinion stated in part:

"It is not consistent either with the dignity or the rights of the legal profession to insist that the bar be given a monopoly of services of the character above described. Efforts to force the services of lawyers upon the public, to the obvious detriment of the people at large, can only result in an outcry against the bar which cannot be otherwise than harmful to the bar and to the administration of justice, which is the prime purpose of the bar's existence.

### All Need Some Legal Knowledge

"A fair degree of familiarity with the ordinary rules of law, the statutes and the regulations governing his particular business or occupation, is a natural and necessary part of the equipment of every citizen. That he govern himself by the law is an absolute necessity, if his work is to have value, and disputes and difficulties are to be avoided. He may properly engaged in discussions regarding the law, and express his opinion on the subject, as a matter of common right. The preparation and execution of contracts and other documents, customarily used to give effect to transactions incident to one's business, is equally the right of every citizen. The same rights accorded to citizens in general cannot be denied to insurance companies, or to their employees engaged in the transaction of the necessary and incidental business of such companies.

"Viewing the matter from a practical, rather than from a legal standpoint, to uphold the contention of the defendants appears to be contrary both to the best interests of the bar and to public policy.

"Occasional injustices which may occur in the settlement of cases can

(CONTINUED ON PAGE 30)

## Interesting Statistics on Insured Motors

Actuary W. J. Farber of the Louisiana Casualty & Surety Rating Commission has gathered some statistics that are very interesting. They show that about 13 percent of the private automobiles in his state registered under the motor vehicle bureau are insured against liability and property damage and about 7 percent of the trucks. Therefore it would seem that there is a big field in Louisiana for local agents to get busy as a very large percentage of automobiles are prospects.

## Merit Rating Hits New Bar as Agents Cease Firing

**Continental Casualty Balks—Bureau Maps Promotional Program**

Indications now are that the retrospective merit rating plan for individual pleasure cars that is espoused by the National Bureau of Casualty & Surety Underwriters will be introduced as scheduled Feb. 1, with the acquiescence of the National Association of Insurance Agents, the only changes from the original program being an increase of 1 percent in the producers commission, and a slight liberalization of the definition of what constitutes the type of claim which will prevent the assured from getting the 15 percent rebate 30 days after the anniversary of the policy. A property damage claim of \$10 or less will not deprive the assured of the rebate nor will any payment under the first aid expense clause of the public liability contract. The top commission will be 21 percent instead of 20.

### New Complication Injected

An important, new complication was injected into the merit rating plan situation Tuesday of this week when Continental Casualty and the affiliated National Casualty released a statement that they are opposed to the plan and are giving consideration to the use in states where the merit rating plan is introduced of their own rate schedule amounting to 15 percent less than the initial bureau rates.

This statement of Continental Casualty was published the day before the regular meeting of the executive committee of the National Bureau of Casualty & Surety Underwriters in New York. M. P. Cornelius, president of Continental Casualty, attended the executive committee meeting Wednesday morning and it is safe to assume that the subject of merit rating was mentioned at that time, even though it was not on the agenda.

### Promotional Program

A cooperative advertising and publicity campaign designed to help producers and brokers acquaint the public with the advantages of the safe driver reward plan is under consideration by the member companies of the National Bureau of Casualty & Surety Underwriters.

The suggested campaign is still tentative. Its basic principles were presented to the majority of the bureau membership by a committee which had been asked to investigate the promotional opportunities of the plan. The project is strictly a company and not a bureau matter since the bureau's constitution forbids levying assessments or using organization funds for advertising. Many of the company executives have already expressed approval of the program.

The suggested program calls for ad-

(CONTINUED ON PAGE 28)

## Many Theories Voiced as to Significance of Lloyds Move

### Guesses Made Why Lloyds Suspended Writing of New Business in Illinois

The order on the part of London Lloyds to its Illinois representatives to suspend writing new business has not yet been lifted. There has been no official explanation of the suspense order, but there has been a lot of guessing.

One guess is that those London brokers who put up the \$2,350,000 deposit in Illinois are demanding that other brokers who are interested in Illinois business share in the deposit. According to that theory, the brokers who put up these stakes, decided to halt the writing of new business in Illinois until that matter is straightened out.

### Another Theory Voiced

Another theory is that the suspense order is a means of forcing those Illinois representatives, who have not yet done so, to sign the agreement with John S. Lord, Illinois attorney-in-fact for Lloyds, which Insurance Director Palmer is requiring as a condition of Lloyds licensing. Some of the Illinois representatives have declined to sign this agreement on the theory that it might prejudice their interests in connection with the negotiations now being conducted in connection with the previous agreement with Mr. Lord under which the Illinois representatives are required to deposit \$5,000 with the attorney-in-fact. However, word has now been received from London that the signing of the new agreement will not prejudice the interests of those who are negotiating concerning the earlier agreement.

Still another theory is that Lloyds do not have enough money in Illinois to enable them to write new business. They have the \$2,350,000 deposit, but they are also required to put up an unearned premium reserve and some opine that they are not able to do that now without reaching into the deposit money.

A fourth theory is that there is so much confusion and uncertainty as to just what is permissible under the new licensing agreement that the Lloyds underwriters have decided to suspend the writing of new business until the program becomes more definitized.

Another guess is that the suspense order was issued when Lloyds learned that the corporate surety companies contemplated bringing legal action to test the construction of the law that was made governing Lloyds licensing. It might be that Lloyds decided if no business is being written, no action could be brought to halt them from writing business.

### Plan for A. & H. Week

PHILADELPHIA — Philadelphia's Accident & Health Insurance Week committee has started work to plan this year's observance. In previous years, the Accident & Health Club of Philadelphia has held a sales congress the week before Accident & Health Week. This year, the suggested plan is to incorporate the sales congress into the opening day's activities.

General plans for the week were discussed at the first meeting of the committee, headed by D. Stuart Walker, Mutual Benefit Health & Accident. The tentative plans call for a buffet luncheon with a meeting and sales congress to follow. Outstanding accident and health men are slated as speakers.

### Students Hear "Ad" Expert

HARTFORD—Robert E. Brown, Jr., of the publicity division Aetna Casualty, addressed the students of the casualty branch of the Insurance Institute of Hartford on "Advertising and Publicity."

## New Indianapolis Law Firm



V. M. ARMSTRONG

Vayne M. Armstrong and Paul F. Rhoadarmer, two Indianapolis attorneys with considerable experience in the practice of insurance law, have formed a partnership as Armstrong & Rhoadarmer, with offices in 1107 Peoples Bank building. Mr. Armstrong has specialized in insurance law since beginning practice in 1927, having previously been operator of one of the largest automobile repair concerns in the state, which gave him a wide acquaintance with insurance companies and their representatives. For some years he conducted a column in the "Indianapolis Sunday Star" entitled "Automobile Insurance and the Driver's Responsibility." He is a graduate of the Benjamin Harrison Law School. Active in American Legion affairs, he served a year as state commander for Indiana.

Mr. Rhoadarmer is a graduate of De-



PAUL F. RHOADARMER

Pauw University and the Indiana University school of law, and has engaged in law practice in Indianapolis for 13 years. He was the Republican nominee for judge of Marion county superior court in 1934, and formerly was chief deputy prosecuting attorney of Marion county. For years he has specialized in negligence cases. These two attorneys should make a strong combination.

### K. A. Landon in Baltimore With National Lloyds

BALTIMORE.—Commissioner Hanna has approved the license of the newly organized National Lloyds. Kirk A. Landon, who was formerly general manager of the Auto Mutual Indemnity of New York, which specialized in writing long haul truck business, is agent for National Lloyds with offices in 601 Union Trust building, Baltimore. Incorporators are John E. Bond, P. D. Heffer and H. H. Sandler, all of Baltimore. The capital is 2,000 shares, 1,000 being preferred 7 percent par value \$100 and 1,000 common, no par value.

### Comp. Only Clipper Cover

NEW YORK.—No hull insurance, not even an excess cover, was carried on the "Samoan Clipper," the Pan-American Airways plane which crashed in flames near Pago Pago in the Pacific Ocean, killing its entire operating personnel of seven. Workman's compensation insurance, however, was carried in the U. S. Aviation Underwriters on all of those killed but the total amount involved is not yet known. This is due to the fact that the size of the compensation awards will depend on the state in which the various members of the crew were hired as well as on their rate of pay. Maximum possible awards in the case of the "Samoan Clipper" will range anywhere from \$3,000 to \$12,000 each.

### Uninsured Risk Plan in Maine

The standard voluntary plan of the National Council on Compensation Insurance for granting coverage to uninsured risks has been installed in Maine, increasing to 16 the number of states where the plan is in operation. Five other states have assignment of risk plans as well, each however differing in some degree from the standard agreement. The plan was extended to Maine at the request of Commissioner Lovejoy. Several corporations of the state had complained of their inability to secure compensation coverage as the law requires. Only recently the plan was installed in New Hampshire.

## Changes Made by Casualty Bureau on Pacific Coast

### F. J. Van Horn Returns to San Francisco Office from Portland, Ore.

F. J. Van Horn, who went to Portland, Ore., about seven months ago to take charge of that office of the National Bureau of Casualty & Surety Underwriters, has returned to the San Francisco office to resume the position he vacated and which was not filled during his absence. R. E. Fay is manager of the Pacific Coast branch of the Bureau.

Under the new arrangement, the Portland and Seattle offices will be under personal supervision of B. K. Campbell, who will divide his time between the two offices with the approval of representatives of members in both states. The prevailing opinion is that bureau problems in Oregon and Washington are much alike and therefore it is logical to place both states under one supervision.

### R. K. Entriken Joins Father

R. K. Entriken, who has been connected with Langham & Maillot, Houston general agents for Aetna Casualty, has returned to McPherson, Kan., to be associated with his father in the Fred K. Entriken agency. The agency has been in existence about 30 years. R. K. Entriken attended Kansas University and gained insurance experience during the summers in the western department offices of the America Fore in Chicago. He remained with the America Fore, after graduating, for about a year, then went to the head office of Aetna Casualty and for the past three years has been in Houston.

### Would Make Law Compulsory

FRANKFORT, KY.—Senator Barbour has introduced a bill to empower the assembly to make compliance with the compensation law compulsory for all employers.

### De Witt with Inland Bonding

E. M. De Witt has been appointed special representative for the Inland Bonding in Ohio and western Pennsylvania. He will plant agencies in this territory and develop contract and liquor bond business, with a service office at 30 East Broad street, Columbus. He has been a surety field man in Ohio for approximately 17 years and was assistant and associate branch manager of the National Surety at Columbus for many years.

The Inland was formerly represented in Ohio by the Atkinson Agencies of Columbus, general agents.

### Munyon New Superintendent

LANSING, MICH.—W. H. Munyon becomes superintendent of agencies of the Wolverine, stock automobile company of this city.

He has been with the Wolverine's sales organization since 1930, first as special agent and later as Indiana manager when that territory was entered by the Wolverine. Larry Pierce was recently appointed to the Indiana position after having been special agent in southern Indiana, and Mr. Munyon was transferred to the home offices to assume his new duties. Wayne Kaltenbach, manager southern Michigan, has transferred headquarters from Lansing to Marshall. His territory extends across the southern part of the state from Lake Michigan to the Detroit river.

### Made Kentucky L. & A. Director

Allen M. Reager of Louisville, general agent of the Continental Casualty and Continental Assurance, has been elected a director of the Kentucky Central Life & Accident.



W. M. TOMLINS, JR.

NEW YORK.—W. M. Tomlins, Jr., has now been elected first vice-president of the American Surety. He holds the same title in the affiliated New York Casualty and heretofore has been vice-president and chairman of the underwriting committee of American Surety. He has been in the surety business 44 years and has been with the American Surety since 1912. In 1913 he was elected vice-president.



## Reduction in Bank Robbery Rates Is Now in Effect

### Protective Measures, "G" Men Effective — Other Changes Announced

Bank robbery insurance premiums were substantially reduced Jan. 17 by the National Bureau of Casualty & Surety Underwriters. The reduction averages more than 10 percent and applies in all states except New York, which continues to have the lowest rates in the country. The change was effected by making the excess insurance rates apply to robbery insurance over \$5,000. Previously the initial rate applied to the first \$10,000.

A reduction was made in June, 1936. The present cut was based on continued lessening of bank robbery losses experienced by companies. Activities of the Federal Bureau of Investigation and use of the time-lock safe with counter cash limitation plan are credited with being major influences on the improved loss experience. The counter cash limitation restricts coverage on money not under time lock to 15 percent of the amount of robbery insurance.

#### Reduction on Residence

Reductions in residence theft and personal holdup insurance rates also were announced for territories: Lake county, Ind.; Johnson and Wyandotte counties, Kan.; Jackson and St. Louis counties, Mo.; Essex and Hudson counties, N. J.; Cuyahoga, Franklin, Hamilton, Lucas, Montgomery and Summit counties, O.; Bucks, Chester, Delaware and Montgomery counties, Pa.; King and Spokane counties, Wash.

Mercantile open stock insurance rates were reduced in territories: Lake county, Ill.; Lake county, Ind.; Polk county, Ia.; State of Michigan, except Wayne county; entire state of Pennsylvania, and Providence county, R. I. Wording of several open stock classifications was clarified.

#### Mercantile Safe Rates Up

Mercantile safe burglary rates were increased in territories: DeKalb and Fulton counties, Ga.; Marion county, Ind.; Essex county, N. J.; Multnomah county, Ore.; Shelby county, Tenn.; Harris county, Texas; and Henrico county, Va.

Messenger and paymaster robbery insurance rates were reduced in California, except Los Angeles county; Lake county, Ind.; Polk county, Ia.; Allegheny county, Pa., and increased in Shelby county, Tenn.

Office and store robbery rates were reduced in Lake county, Ill.; and also rates for some risk classifications were changed.

#### Storekeepers Reduction

Rates for storekeepers' burglary and robbery policy were reduced in Lake county, Ill., and increased in Mahoning county, O.; Davidson and Shelby counties, Tenn., and Norfolk county, Va.

An important rate change was made to permit writing additional storekeepers' policies covering the same location of a risk at one-half the premium for the first policy. The change will materially increase the sale of this policy, it is believed.

These reductions follow the announcement of a new and more liberal bank burglary and robbery policy, drawn up after conferences between the companies and the American Bankers Association, and indicate that the burglary departments are ready to fight with the surety departments to retain their profitable bank business. They are particularly significant in view of the fact that

## Lloyds Revises Contract Coupled with High-Low Deal

### Cost to Assured, Under New Arrangement, Is Always Less Than Standard Premium

Casualty companies report that during the last 60 days or so there has been quite a number of large compensation risks written under the retrospective rating plan. Practically all of these risks at the same time are taking out a London Lloyds contract, guaranteeing that the assured will have to pay no more than 95 percent of what the standard premium would be if the experience calls for a penalty.

These Lloyds contracts have been revised somewhat. At first the Lloyds contract indemnified the assured for any excess he might be called upon to pay above what the standard premium would amount to on the conventional plan. That created the possibility that the cost to the assured might be more than the standard premium because the cost of the Lloyds contract had to be taken into consideration.

Now these contracts provide that Lloyds will indemnify the assured for any penalty amounting to more than 95 percent of what the standard premium would be. The rate for the Lloyds contract is 10 percent of the difference between 95 percent of the standard premium and the maximum charge under the retrospective rating plan. It works out in such a way that even including the cost of the Lloyds contract, the assured would never have to pay as much as the standard premium on the conventional plan.

Take a risk with a \$50,000 standard premium. The maximum amount such a risk would have to pay under the retrospective rating plan is 135 percent or \$67,500. Lloyds guarantee that the assured will not have to pay more than 95 percent of the standard premium or \$45,000. The cost of the Lloyds contract is 10 percent of the difference between \$45,000 and \$67,500 or \$2,250.

If the experience of the risk is such that the maximum rate has to be paid, the cost to the assured is only \$45,000 plus \$2,250 for the Lloyds contract or a total of \$47,250, which is \$2,750 less than the standard premium. It is thus strictly a one-way deal for the assured.

#### Few Bay State Appeals Upheld

BOSTON — Commissioner DeCelles has announced that only 1,379 appellants of the 10,208 who complained in 1937 to the Massachusetts board of appeal on motor vehicle insurance because of refusal to grant them renewed insurance were sustained.

The board, which has been holding day and night sessions for some weeks, heard all who appealed and sustained the refusal of companies to reinsure in practically four out of every five cases.

#### Texas Automobile Rates

Casualty Insurance Commissioner G. R. Waters of Texas in his annual report stated that unless there is a reduction in automobile accidents rates must of necessity be raised. His division, he announces, is doing everything possible to promote traffic safety. Texas now has the lowest automobile fire insurance rate, he said. He recommends that the guarantee fund under which reciprocals operate be increased from \$10,000 to \$50,000.

bankers blanket bonds No. 2 and No. 8 revised have just been broadened on a number of points, particularly to include coverage against damage to the premises by burglars or robbers. This last is obviously a competitive move against the burglary departments and the robbery rate reduction and form broadening is apparently a counter-stroke.

## Oklahoma Manager of Central Surety Is Dead



H. H. STRAYER

Harold H. Strayer, Oklahoma manager for the Central Surety the past five years, and with the company for more than ten years, died at Oklahoma City. He underwent an operation for appendicitis Jan. 11. Pneumonia developed, but Mr. Strayer was improving when a blood clot caused his death.

Mr. Strayer formerly was in charge of the accident and health department of the company and was active in the National Accident & Health Association in its early days. He had done exceptionally successful work as state manager for the Central in Oklahoma.

Mr. Strayer started as a field man with the Central Surety in Florida in 1927, and after a short time went to the home office as superintendent of the accident and health department.

Executives of the company who attended Mr. Strayer's funeral in Waterloo, Ia., included Dennis Hudson, president; R. E. McGinnis, vice-president; P. H. Hawes, director of agents, and H. J. Hudson, assistant secretary.

#### E. J. Donegan Goes on Stand

NEW YORK—E. J. Donegan, executive vice-president of the defunct State Title & Mortgage Co., charged with several other officials of the organization with having indulged in alleged irregularities in the sale of mortgages and mortgage certificates, appeared before Federal Judge Cox and a jury here last week. Under his own questioning Mr. Donegan told of his rise in the business world from a \$3-a-week office boy to the vice-presidency of the Metropolitan Casualty at an annual salary of \$30,000, and of his subsequent association with the General Surety, and upon its retirement in 1930, with the State Title & Mortgage.

Educated originally for the priesthood, Mr. Donegan later inclined to the legal profession and qualified as a member of the bar. He was a practicing attorney for several years before entering the surety field.

#### Reductions in Bay State Towns

BOSTON—Twenty-one small towns in Massachusetts are favorably affected by new automobile property damage rates promulgated by the National Bureau of Casualty & Surety Underwriters and put into effect through the Massachusetts Automobile Rating Bureau. The reductions, which amount to some \$3 or \$4, or around 4 percent, come through reclassifications in part and do not affect any other towns or cities. The towns affected include six in Essex county; five in Hampden county; two in Hampshire county; six in Middlesex county and two in Norfolk county.

## Bankers Blanket Bond Cover Is Again Improved

### Forms No. 2 and No. 8 Revised Now Include Damage to Premises

Long awaited changes in forms No. 2 and No. 8 revised of the bankers blanket bond have been announced by the Surety Association of America. Probably the most important change is in the broadening of coverage to include damage to the premises caused by burglary, robbery, holdup, theft, larceny or attempt thereat.

The definition of property under both bonds has been broadened, the radius of protection of property in transit under form No. 2 has been made countrywide and a number of other changes have been made which bring many of the clauses of form No. 2 in line with the corresponding clauses of form No. 8 revised.

The inclusion of coverage against damage has been under consideration for a long time, the principal obstacles being charter limitations of some of the companies and the laws of New York. Both these objections have now been overcome. The change represents another victory for the surety companies in the rivalry between the burglary and surety departments. Previously damage cover could be obtained only through a burglary policy and many banks carried burglary and robbery insurance as excess over bankers blanket bonds in order to obtain the protection against damage. Only damage by fire is excluded under the new rules.

#### Armored Car Losses Covered

Another change has been extension of the coverage of property in transit to protect it while in custody of an armored car. Previously the bonds had excluded property of any outside messenger service. The new bonds provide that insurance on property in an armored car is excess over amount recoverable or received by the assured from all other sources.

The definition of property has been broadened to include gold, platinum, silver and other precious metals and articles made therefrom, jewelry, watches, necklaces, bracelets, gems and precious and semi-precious stones. The definition in forms No. 2 and No. 8 revised is now uniform.

#### Night Depository Coverage

Under form No. 2, it has been necessary up to now to buy additional protection for property deposited in a night depository chute, because of the "nominal value and description," which provided that no property was covered unless an employee or partner of the assured had examined it and made a record, containing the nominal value and description of the property, excepting only property lost on the same day it was received. Form No. 8 revised waived this clause where the loss occurs before midnight of the third business day following receipt of the property, thus covering property deposited in a night chute. Under the new changes, this liberalization also applies to form No. 2. Both forms have been changed to provide that this clause shall not apply if an employee has dishonestly failed to make or verify the record.

Coverage of property in transit under form No. 2 now applies anywhere in the United States. Previously it was limited to within 50 miles of the assured's premises, subject to extension by endorsement for an additional premium. The definition of employees under form No. 2

(CONTINUED ON PAGE 20)

## CHANGES IN CASUALTY FIELD

### C. T. Spaulding to New York Zurich Pennsylvania Changes

**Aetna Home Office Official Put in Charge of Agency and Brokerage Department**

C. T. Spaulding, for the past eight years an official in the home office casualty and surety agency department, will become manager of the agency and brokerage department of the Aetna Life companies, in charge of production in the New York office Feb. 1.

A native of Marcellus, N. Y., Mr. Spaulding is a graduate of Marcellus high school and the University of Buffalo. He joined the Aetna in 1922 as special agent accident and health department. He led the honor roll among Aetna accident and health producers for several years. In 1924, Mr. Spaulding was made home office representative with supervisory duties over accident and health production and also served as instructor in charge of the sales courses. In 1930 he was put in charge of all accident and health production. Mr. Spaulding for three or four years supervised agency production work in New York and is acquainted with conditions in that city. He was a member of the 1937 National Accident & Health Week committee.

### Kilduff Is Boston Manager

**Joins United States Casualty — 18 Years with Employers Liability—Succeeds Late B. A. Miller**

The United States Casualty has appointed W. F. Kilduff as manager of the Boston branch office. Mr. Kilduff, who has been with the United States head office of the Employers Liability for 18 years, succeeds the late Benjamin A. Miller.

A native of Boston, Mr. Kilduff was educated in the public schools there and in private school at Wellesley, Mass. He graduated from Suffolk university law school in Boston, admitted to the Massachusetts bar in 1926. He has been in personal accident field and is well known. He entered the business following the world war, prior to which he was engaged in sales work.

### Aetna Casualty & Surety Changes in New York City

The Aetna Casualty & Surety announces the following changes in the New York offices, effective Feb. 1:

H. D. Wright, manager of the 42nd street office, will be transferred to 100 William street as associate manager, agency and brokerage department.

E. H. Morrill, Jr., for many years assistant general manager of the 100 William street office, will become manager of the 42nd street office.

David Meiklejohn, who has had administrative duties at the 100 William street office for many years, will devote his entire time to special production duties at the same office.

W. B. Vaughan, superintendent of the agency-brokerage department under Mr. Morrill, will be transferred to the Brooklyn office as superintendent agency and brokerage department in that city.

### Littlejohn Assistant Manager

R. H. Littlejohn has been appointed assistant manager of the American Surety and New York Casualty at the Atlanta branch. He has been connected with the organization for a number of years and at one time was at the home office. He then was made special agent and became subsequently underwriter at Atlanta. He hails from Charlotte, N. C.

**Brannion Becomes Philadelphia Manager Succeeding Easterby—P. V. McMurry Is New Pittsburgh Head**

R. V. Brannion, who has been Pittsburgh manager for the Zurich since 1935, is being transferred to Philadelphia as manager, succeeding C. T. Easterby, who has resigned to enter another branch of the business.

Mr. Brannion was assistant manager in Philadelphia until he was placed in the Pittsburgh position.

The new Pittsburgh manager is Preston V. McMurry, who has been field assistant for the Zurich for the last several years with headquarters at the United States head office at Chicago. He is a well posted casualty man. He went to the Zurich from the Royal Indemnity in Chicago, where he was special agent.

C. P. Cunningham, who has been an underwriter at the United States head office, is being transferred to Pittsburgh in an underwriting capacity.

### Inglis Heads N. Y. Office of Associated Indemnity

R. L. Inglis has been appointed resident vice-president of the Associated Indemnity and Associated Fire & Marine in charge of the eastern department in New York City.

Mr. Inglis was transferred to the eastern department from the home office in San Francisco last July and appointed resident secretary there. The eastern department is now placed on a branch office basis and all eastern agents are now reporting there, with one temporary exception. Mr. Inglis succeeds W. R.

Dempsey, who resigned as a vice-president, effective Dec. 31, 1937. It is understood that Mr. Dempsey will shortly join another casualty and surety organization.

### Joins Virginia Auto Mutual

Miller O. Stout has resigned as general rate clerk in the Virginia department to become superintendent of agencies of the Virginia Auto Mutual of Richmond, organized three years ago and specializing in writing automobile liability and property damage coverage on private and commercial cars. It also writes cargo insurance. It is licensed also in Maryland and the District of Columbia but has so far restricted its writings to Virginia. O. L. Shewmake, Richmond lawyer and a former member of the Virginia state corporation commission, is president.

Mr. Stout has been with the Virginia department 10 years. He was previously with the Virginia rating bureau.

C. W. Harris, assistant to Mr. Stout, becomes general rate clerk, and George A. Peery, statistician in charge of the bureau assembling data in regard to automobile liability and property damage, becomes assistant to Mr. Harris but will retain supervision over assembling such data. Mr. Harris will give special attention to fire rates, while Mr. Peery will specialize in casualty rate matters. He is a nephew of George C. Peery, retiring governor of Virginia.

### Employers Coast Changes

N. W. Hart, special agent of the Employers group, has been transferred from the northwest office at Seattle to Portland, Ore. Fred G. Thomas, formerly of Seattle department, has been transferred to Portland as boiler inspector.

H. O. Price will serve as special agent for all of Washington except the southwest section, which will be covered by Mr. Hart out of Portland.

## FIDELITY AND SURETY NEWS

### Reinsurance Experience Is Now Being Secured

NEW YORK—Appreciating the desirability of revising the reinsurance agreement for inter-company use in the light of experience, the Surety Association of America some years ago delegated the task to a special committee of which E. C. Lunt, vice-president Great American Indemnity, is chairman. The matter has been given study by the committee from time to time, both at meetings and through correspondence, and the views of officials and others in position to offer constructive suggestions solicited. Recently Mr. Lunt addressed the committee members at considerable length, presenting the present agreement section by section, outlining its operation as he viewed it, and requesting the whole agreement be carefully reviewed, intending to call a meeting for its possible final revision in the near future.

### May Need Entire Market

NEW YORK—Surety underwriters are interested in the progress achieved in the revised plans prepared by the U. S. Bureau of Reclamation, for building the Shasta Dam in southern California, which, when completed, will be the second largest concrete dam in the world, being exceeded in height only by the Boulder Dam.

A rough estimate places the probable cost of the Shasta project at \$170,000,000. It will have a crest elevation of 1,080 feet, and after preparation of the rock to receive concrete, the dam will rise about 560 feet above the lowest foundation. Boulder Dam's corresponding height is 727 feet, and Grand Coulee's will be 553 feet. That the bond re-

quirements will be such as to call for the combined facilities of virtually all surety companies is taken for granted.

### Martin St. Louis President

ST. LOUIS—H. A. Martin, Maryland Casualty, has been elected president of the Surety Underwriters Association of St. Louis, succeeding Fred H. Doenges, Fidelity & Deposit. Other officers are: Vice-president, John L. Patterson, Massachusetts Bonding; secretary-treasurer, J. E. Auchley, United States Fidelity & Guaranty.

Members of the executive committee are: Fred H. Doenges, Henry Bush, United States Fidelity & Guaranty; R. L. Edgar, American Surety; J. E. Craig, Aetna Casualty, and O. L. Kincheloe, American Surety.

### Elect in Pittsburgh Feb. 8

PITTSBURGH—C. H. Bokman, New Amsterdam Casualty, heads the nominating committee of the Surety Association of Pittsburgh. The election will be held Feb. 8. Plans were discussed for the fidelity and surety round table to be held in connection with the Insurance Day observance Feb. 14 sponsored by the Insurance Club of Pittsburgh.

### Plan Liquor Bond Pool

PITTSBURGH—Most of the companies are believed to favor formation of a pool to underwrite liquor and beer bonds, a project now being pushed by the Philadelphia Surety Association, although one conference company which writes a large volume of such business is blocking local action by refusing to join.

There has been a large number of revocations of licenses and forfeitures of bonds, particularly in the eastern part

of the state, it is said, and spreading of the risk is believed advisable. The pool would aid in bringing about greater discrimination in writing applicants for bonds, further reducing the possibility of losses, it is felt.

The South Dakota insurance department, which is liquidating the former state bonding department, has made a payment of 10 percent or \$2,938 on approved claims.

## PERSONALS

Eric Collins, underwriter at the head office of the Zurich, and Mrs. Collins announce the arrival of a second daughter, Patricia. The paternal grandfather is Arthur W. Collins, chairman of the Zurich. The maternal grandfather is A. A. McKinley, prominent Chicago insurance lawyer.

O. R. Leeds, assistant agency manager of the United States Fidelity & Guaranty, was a recent visitor to San Francisco, conferring with local executives of the company and a number of its brokers. Following a week's visit to San Francisco, Mr. Leeds left for Los Angeles, where he devoted several days to the southern California field.

Evan L. Hobart, 60, claim manager of the Ministers Life & Casualty Union since 1925, died at Minneapolis. He had been ill for more than a year and had been confined to the hospital for several months before his death.

H. T. Huff, vice-president of Joyce & Co. of Chicago, left a few days ago for a business visit to London. He is expected to return about the middle of February.

Henry Collins, United States manager Ocean Accident, visited W. A. Bennie, regional supervisor, and local agents in Atlanta, Ga. He returned to New York, after visiting agents in Florida and New Orleans.

Washington National agents in Kansas City honored Charles A. Spaythe on completion of his 25th year as an agent of the company. M. F. Houston, district manager of the Great Western division, presided at the luncheon. It was attended by two policyholders, who have kept in force for 25 years insurance they purchased from Mr. Spaythe when he first began selling for Washington National. Mrs. Spaythe also was a guest.

A. G. Oakley, vice-president of the U. S. F. & G. in charge of the New York territory, was honored in a special program at the January meeting of the Surety Association of New York. The occasion was the fact that Mr. Oakley is entering upon the 40th year of service in his company. L. S. Moore, vice-president American Surety, extended felicitations to Mr. Oakley in behalf of the association. Mr. Oakley mentioned that H. V. Upington, resident manager Fidelity & Casualty in New York, and W. A. Bullock, assistant secretary Fidelity & Deposit in New York, are also celebrating 40th anniversaries of their connection with their companies.

E. L. Stephenson, resident vice-president in Chicago of the United States Casualty, held a house-warming in his new apartment in south side Chicago, having as guests his business associates and employees of the branch and claim departments. Mr. Stephenson, who took charge in Chicago several months ago, shortly moved the branch office into more commodious quarters in A-1235 Insurance Exchange. He is a flyer with more than 1,000 hours in the air. Mr. Stephenson was in the marine corps during the war, seeing considerable service, and in 1929 took up flying at Indianapolis. He accumulated 1,032 hours in the air as a member of the air reserve in the National Guard.



## CASUALTY ASSOCIATION NEWS

### Does Adjuster Practice Law?

**Ambrose Kelly of American Mutual Alliance Reviews Agitation Before Chicago Casualty Adjusters**

The present economic position of the bar makes it necessary for lawyers to seek new fields of revenue and therefore underlies the drive against alleged unauthorized practice of law by laymen, in the opinion of Ambrose Kelly of the American Mutual Alliance. Speaking before the meeting of the Casualty Adjusters Association of Chicago Jan. 19, Mr. Kelly reviewed the history of the attempt to restrict the adjustment of insurance claims to laymen. He pointed out that the first actions had been brought against independent adjusters who were handling claims for plaintiffs but that now the company employe and the adjuster who takes cases only for the insurance companies are both being challenged.

Discussing the Missouri case of Liberty Mutual et al vs. Clark et al, Mr. Kelly stressed the fact that the majority opinion in the circuit court, if upheld by the supreme court, would disrupt the production of business as well as the adjustment of claims. If a lay adjuster cannot advise his company whether or not an accident is within the coverage, an agent cannot explain to a prospective policyholder what the contract does and does not cover. It will be necessary to refer the policyholder to his attorney for an analysis of the policy.

In concluding, Mr. Kelly stressed the fact that the major issue is the scope of the monopoly to be given attorneys and that the battle over the status of the adjuster is merely one aspect of the struggle. He expressed the hope that appellate court decisions in Missouri and New Jersey would result in a definition of the practice of law satisfactory to both lawyers and adjusters.

(CONTINUED ON LAST PAGE)

### Bevis Heads Casualty-Surety Field Club of Indiana

INDIANAPOLIS—At the annual meeting of the Casualty & Surety Field Club of Indiana Cecil Bevis, Globe Indemnity, was elected president; H. E. Schornstein, New Amsterdam Casualty, vice-president; H. J. Wilson, Massachusetts Bonding, secretary, and R. C. Schetter, Travelers, treasurer. B. R. Turner, Jr., Fidelity & Deposit, is retiring president.

W. C. Burns, manager of the Workmen's Compensation Rating Bureau, spoke on the occupational disease insurance situation in Indiana. Since the court ruled that the occupational disease act is not to be administered by the same state machinery as the workmen's compensation act, Mr. Burns said his bureau has simply been giving some assistance in handling occupational disease business without passing on rates. A lot of risks are said to be going begging, while some companies are taking care of occupational disease coverage where they already have the compensation line. Plans are being perfected for the handling of occupational disease business in Indiana and all but a few companies have already signed up. About 50 were in attendance.

### District Chairmen Named

Chairmen have been appointed for various districts in Illinois by the recently created Illinois Association of Casualty & Surety Field Men to take charge of membership and local activities. In the Chicago district, the chairman is Sherman S. Leseth, Glens Falls Indemnity; Decatur-Springfield, J. V. Rice, Employers Liability; Peoria, C. B. Pittinger, Hartford Accident; St. Louis, R. M.

Millure, Hartford Accident; and Rockford, S. W. Swanson, Hartford Accident.

### Cowen San Antonio Speaker

The San Antonio Claim Men's Association heard L. J. Cowen, American Adjusters Institute, Des Moines, talk on making adjusting a profession through a sound training basis. He suggested a definite line of study which would enable

the adjuster to prepare reports so that the doctor and the lawyer may understand what is developed in them, and so that the home office of the company will have no occasion for complaint as to the character of information submitted. H. A. Christisen, associated with Mr. Cowen, was a guest.

### N. J. Casualty Men to Meet

The Casualty Underwriters Association of Northern New Jersey will hold its first luncheon meeting of the new year Jan. 19.

The association starts the new year with H. D. Meyer as president, H. N.

Hutchinson, vice-president; M. W. De Vesty, secretary, and G. H. McKelvey, treasurer. The executive committee is composed of Joseph Comerford, Maryland Casualty; J. C. Eastmead, Hartford Accident, and W. T. Haynes, New Amsterdam Casualty.

### Casualty Engineers Meet

The Casualty Engineers Association of Chicago held a round table discussion on refrigeration at a meeting which more than 45 attended. President G. H. Cain, New Amsterdam Casualty, presided. The Feb. 11 meeting will be devoted to a discussion on elevators and

# Audits Are Being Made Everywhere in January

The Employer with  
Adequate Fidelity Insurance  
is not worrying about  
the outcome

## CENTRAL SURETY AND INSURANCE CORPORATION

KANSAS CITY, MO.

DENNIS HUDSON, President

### ADMITTED ASSETS

\$6,102,156.55

### CAPITAL

\$1,000,000.00

### SURPLUS

\$1,210,810.45

### OTHER LIABILITIES

\$3,891,346.10

As at Sept. 30, 1937

cables. Officials from Otis and Westinghouse Elevator companies will speak. Moving pictures will also be shown on all phases of elevator operation. Meetings are held in the Midland Club building.

#### Pittsburgh Claim Meet Feb. 7

PITTSBURGH—Officers will be elected at the meeting of the Pittsburgh Casualty Claims Association Feb. 7. The January meeting was merged in a joint meeting with the Casualty Association of Pittsburgh.

#### Bermuda, Alaska for Winners

Those from the eastern part of the country who qualify in the new production contest of the Zurich will be guests of the company on a cruise to Bermuda in August. The qualifiers from the west will be taken on a trip to Alaska in July.

#### Report Referred to Committee

BOSTON—The voluminous and sensational report of the special recess commission which investigated the defunct Commonwealth Mutual Liability last year and which in its 107 pages severely criticises Commissioner De Celles, as well as making many recommendations for changes in the insurance law, has been referred to the insurance committee of the legislature for consideration. The report came up in the house the past week and was promptly referred to the insurance committee, notwithstanding the fact that Senator E. S. Oppenheimer, who was chairman of the special investigating commission, and Representative John W. Coddair, Jr., are both members of the insurance committee.

#### Spokane Adjusters Elect

SPOKANE, WASH.—Paul K. Cooney is the newly elected president of the Spokane Casualty Adjusters Association. Leo Cashatt is vice-president and Earl Turner, secretary-treasurer.

## WORKMEN'S COMPENSATION

### N. Y. Court of Appeals Gives Favorable O. D. Decision

The court of appeals, highest tribunal in New York state, has handed down an important decision distinguishing between an occupational disease and a disease that might happen to be contracted while the employee was engaged in his occupation. That decision reverses an opinion of the appellate division, which had created the inference that any disease sustained by an employee arising out of employment was an occupational disease. The New York industrial board has been working on that theory. The claim was that of Shirley Goldberg against 954 Marcy Corporation and Maryland Casualty.

#### Basis of Claim

Shirley Goldberg was a cashier in a movie theater, selling tickets in a booth located on the street and heated by an electric heater, which she could turn on and off. She claimed that the alternate heat and cold caused blotches to appear on her legs and caused her feet to become numb and weak. Upon complaining to her employer, she was advised to consult a physician. While on the way to the physician's office she claimed that because of the weakness of her feet she fell, suffering a fracture of an ankle.

The employer and the insurer did not deny liability for the accident, but they did deny liability under the occupational disease statute.

The court of appeals stated that it manifestly was not the intention of the legislature to change the compensation law from a statute affording protection to employees against the hazards of their occupation to a law insuring against diseases which might happen to be con-

tracted while the employee was engaged in his occupation.

### Pennsylvania Commission Parley Result Unknown

PITTSBURGH—Pennsylvania agents are still awaiting the outcome of a meeting with the Casualty Acquisition Cost Conference in New York, where modification of the reduction in commission on compensation business in Pennsylvania was asked.

About a score of Pennsylvania agents attended, including R. H. Alexander, manager Fire Insurance Agents Association of Pittsburgh; J. W. Henry, Aetna Casualty; Walter Anthony, Hurst & Anthony, and Wallace M. Reid, of Wallace M. Reid & Co., all of Pittsburgh; William Wingett, Scranton, president Pennsylvania Association of Insurance Agents; Kenneth H. Bair, Greensburg; Norman McCullough, Lancaster, and A. S. Galland, Wilkes-Barre.

### Fewer Minnesota Assignments

MINNEAPOLIS—J. F. Reynolds, manager of the Minnesota compensation rating bureau, reports 104 assignments in the last three months of 1937 compared to 155 in the preceding three months. Aside from logging, beer taverns and restaurants there appears no great difficulty in employers getting coverage, he says.

### Grand Rapids Self-Insurer

GRAND RAPIDS, MICH.—The city of Grand Rapids has decided to become a self-insurer for workmen's compensation. It has been handling its own fire and surety bond risks for some time and city officials apparently think the ex-

perience so satisfactory that they are extending the policy to compensation despite the fact that occupational diseases have just been brought under the act.

### Estimate Cost of Crash

Those familiar with the aviation insurance situation estimate that the cost to insurers under crash coverage and workmen's compensation will be about \$135,000 in the crash of a Northwest Air Lines transport plane that was en route from Seattle to Chicago. This does not take account of the passenger liability loss.

### U. S. F. & G. Meets in Chicago

The United States Fidelity & Guaranty held the first of its series of educational meetings in Chicago this week. Martin Patt, superintendent of the burglary department, discussed sale of burglary, robbery and crime insurance. Morgan E. Dudley, city supervisor in charge of educational work, will give a talk on "Blanket Fidelity Bonds vs. Name or Position Schedules" at the next meeting on Feb. 2. He will also discuss the sales, solicitation and coverage of fidelity bonds on Feb. 16. On March 2 E. J. Moroney superintendent of the judicial bond department, will discuss judicial bonds. Meetings are held in the morning at 10:30.

B. L. Tatman, president of the Reliable Life of St. Louis has left for a trip to South America. This will be his first stop in an around-the-world journey he is to undertake during the next few months. An ardent devotee of travel, this is the second extensive trip that Mr. Tatman has taken in recent years. Between times he has taken short trips to Mexico, Central America and Yucatan.

Oscar Wengen, local agent at Blabon, N. D., was instantly killed when his car crashed into a Great Northern passenger train near Blabon.



# GENERAL REINSURANCE CORPORATION

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## NEWS OF CASUALTY COMPANIES

### Results of American F. & C. Examination Announced

Assets of the American Fidelity & Casualty of Richmond, Va., as of Aug. 31, 1937, amounted to \$2,321,541, capital \$550,000 and net surplus \$612,657, according to a report of a convention examination in which New Jersey, Florida and Virginia participated. On Dec. 31, 1937, an additional \$125,000 was contributed to capital account and an additional \$125,000 to surplus.

During 1937 a refinancing program was carried forward to enable the American Fidelity & Casualty to enter more states and to carry more liability. Until June 8, 1937, its capital consisted of \$250,000 of class A preferred and \$8,000 of class B common stock. At that time the charter was amended and stockholders exchanged their old shares for new \$5 shares of common at a ratio which increased the capital to \$450,000. The balance of \$192,000 was transferred from surplus.

At the same time a deal was made whereby Fuller, Rodney & Co. agreed to purchase 90,000 shares of the new \$5 shares at \$10 a share. The examiners attribute the growth of American Fidelity & Casualty to its relationship with Markel Service, Inc., which operates a nation-wide safety and engineering service with respect to the operation of insured trucks and buses.

### St. Paul-Mercury Reports

The St. Paul-Mercury Indemnity in its new annual statement reports assets \$8,491,984 as compared with \$7,202,430. Bonds in the new statement are entered at market value totaling \$6,737,153. This compares with bonds at book value the previous year of \$5,762,204.

The new premium reserve is \$2,581,215 as compared with \$2,218,366 the previous year. The loss reserve is \$2,408,487.

Net premiums during 1937 amounted to \$5,376,285, increase \$871,009 or nearly 20 percent.

Capital is \$1,000,000 and net surplus \$2,350,989, as compared with \$1,879,530 the previous year.

### Mellbank in Maryland

BALTIMORE—The Mellbank Surety has been licensed in Maryland with William F. Lehnert, Jr., Mercantile Trust Building, Baltimore, designated as agent.

### Huskins Promoting Company

George C. Huskins, 208 West Eighth street, Los Angeles, is the leader of a group that is organizing a new casualty company.

### Now on Agency Basis

The Bituminous Casualty, Rock Island, Ill., is now operating in Illinois through licensed agents. Heretofore the Illinois business was written on a brokerage basis. The company operates in 15 states. In each of the other 14 states its business is written through licensed local agents.

### Officers, Employees Dance

The Continental Casualty-Continental Assurance were hosts at a dance in Chicago, the first of its sort, held under auspices of the staff organization, the Continental Club. The attendance was about 3,000, including all employees, not only at the head office but in the Chicago

branches. H. A. Behrens, chairman Continental Casualty and president Continental Assurance, headed a large delegation of the staff attending. There was an hour of professional entertainment. The committee in charge included A. H. Baum, cashier; J. A. Roberts, assistant actuary; J. J. Nertz and J. C. Hoeger.

**Medical Protective**—Assets, \$2,946,526; inc., \$143,231; unearned prem., \$564,765;

liab. res., \$1,325,605; capital, \$300,000; surplus, \$716,943; inc., \$4,955. Experience:

	Prem.	Losses
Other liabilities	\$1,101,168	\$ 493,039

**Mid-West Auto Underwriters, Ill.**—Assets, \$313,791; inc., \$43,412; unearned prem., \$111,833; loss res., \$46,718; surplus, \$144,626; inc., \$14,205. Experience:

	Net Prem.	Losses Pd.
Auto liability	\$ 105,740	\$ 26,210
Auto prop. damage	55,500	11,363
Auto collision	51,516	33,305
Other auto	38,669	5,665

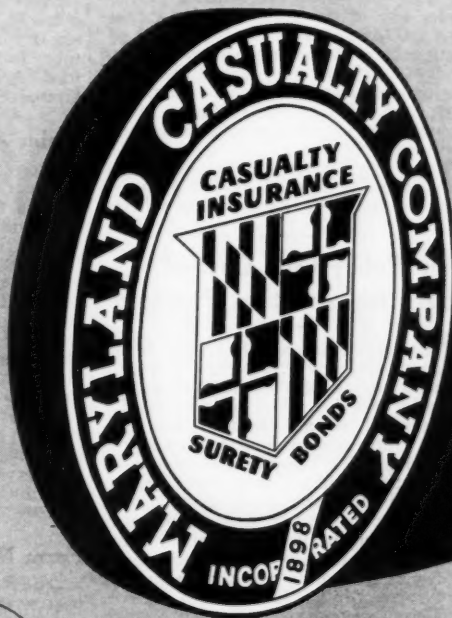
Total ..... \$ 251,427 \$ 76,635

### To Install Equity Rating On the Pacific Coast

G. F. Leineke, assistant manager Pacific Coast branch, National Bureau of Casualty & Surety Underwriters, will leave Jan. 21 for New York headquarters where he will receive instruction for installing equity rating in the San Francisco office. He will also study other services of the National Bureau which will assist in improving service of the Pacific Coast branch.

1898

1938



# 40<sup>TH</sup> Anniversary

*forty years dedicated to a single principle*

**"Unforeseen events ...**

*need not so often change and shape the course of man's affairs"*

## THE MARYLAND

MARYLAND CASUALTY COMPANY • BALTIMORE

SILLIMAN EVANS, Chairman of the Board

EDW. J. BOND JR., President

### SPECIAL AGENT AVAILABLE

Age 30 with 12 years' experience as a fire and casualty underwriter and the past two years as Cook County Special Agent for a Class 1 Agency. A-1 references.

ADDRESS H-4, NATIONAL UNDERWRITER

## ACCIDENT AND HEALTH

### Favors Hiring College Men

**General Motors Director of Education Addresses Detroit Accident & Health Association**

DETROIT—The best place to obtain good insurance agents or good men to learn any type of business is from the constantly recurring crops of college graduates, Kenneth Meade, director of education and training of the General Motors Corporation, told the Detroit Accident & Health Association at its January meeting.

The greatest drawback to college graduates is that some of them have the idea that if they have been graduated from a good college with good marks, they are ready to step into an executive position in any business they decide upon, he said. By the proper handling by accident and health managers, however, they can be converted into excellent agents, if they have an aptitude for the business, he declared.

"Too many men believe that the qualifications for success in any line of business are chiefly ability and knowledge of that business," Mr. Meade said, "but this is far from the truth. As a matter of fact, success consists not more than 25 percent of ability and knowledge of the business and at least 75 percent of personality and character. The latter qualities as well as the former are usually improved by a college education," he asserted.

The principal factors making for a good personality are ability to make friends and to get along well with people, he said. Unusually studious men who dislike the outdoors will do better in office work than in selling or soliciting.

### Life Group Can't Include Accident, Hospitalization

DES MOINES — Commissioner Murphy of Iowa has ruled that no riders, endorsements or supplemental group policies providing for coverages such as group hospitalization or group accidental death and dismemberment, will be approved in Iowa for use with group life policies.

"Group hospitalization forms and group death and dismemberment forms with proper individual certificates thereunder will be approved as complete separate contracts but must not be dependent on any other type of group policy nor make any reference thereto. Group hospitalization, group death and dismemberment or other appropriate riders or endorsements will be approved for use only when attached to group health and accident policies," said the

commissioner. All such policies must comply with a previous ruling by providing for payment of all accrued indemnity at intervals of not more than 60 days.

"Where the premiums on group health and accident policies are collected at intervals of three or more months, then such group policies and certificates must contain a provision for cancellation at any time on request of the assured on a prorata basis or at short rates if a short rate table is attached, and referred to in the cancellation provisions," the ruling continued.

"Where premiums on group health and accident policies are collected at intervals of less than three months no provision for cancellation by assured is required.

"All individual certificates issued under any of the group policies authorized in Iowa shall show: (1) The effective date thereof plainly on the face of the certificate; (2) All provisions of the master group policy as to termination; and (3) The form number of the master group policy, on the face of the certificate."

The large eastern companies writing group are not affected by the ruling as they do not write combination policies.

### New Policy Cuts Cost of Cover for Aviation Personnel

Considerable interest has been manifested in the new "Aero-Age" personal accident policy of the Aero Insurance Underwriters for pilots or students for ground and air accidents in one contract. Until now it has not been possible to provide the flying personnel of the aviation industry with coverage, except by issuing two separate policies.

The cost of the new policy represents quite a saving from the cost of the same coverage previously. Aero Insurance Underwriters points out that a private pilot heretofore has paid \$138.75 for two policies providing him with \$5,000 death or dismemberment, \$25 weekly indemnity, and \$500 for medical reimbursement. He can now secure the same insurance for only \$115 with all the coverage and policy conditions contained in one simplified policy.

#### Policy for Students

The policy for students is on a six months basis. For \$5,000 death and dismemberment, the cost is \$15 for that period; for \$25 weekly benefits with a limit of 52 weeks, the cost is \$10 for six months and the cost for \$500 medical reimbursement is \$8.

For licensed commercial pilots the cost for \$5,000 death and dismemberment is \$50 and for non-commercial pilots it is \$37.50.

For licensed commercial pilots the

cost of \$25 weekly indemnity is \$30 and for non-commercial pilots it is \$25.

For \$500 medical reimbursement the cost for licensed pilots is \$17.50 and for non-commercial pilots it is \$15.

Minimum premium for students is \$10, and for both classes of pilots it is \$25. The policies for pilots are on an annual basis.

### Forced to Larger Quarters

NEW YORK—So great was the response of agents and brokers to attend the series of meetings planned by the Accident & Health Club of this city, that the original intention of using the assembly room of the National Board was abandoned, and the larger hall of the Chamber of Commerce secured instead. Speakers at the initial gathering Jan. 18 included L. M. Williams, Century Indemnity; J. R. Garrett, National Casualty, and H. M. George, United States Fidelity & Guaranty.

Membership upon the educational committee, as announced by its chairman, M. T. Hammer of the Metropolitan Casualty, includes: W. L. Kick, Century Indemnity; L. M. Farrell, Hartford Accident, and R. P. Constable, United States Casualty.

### Claim Association Committees

President Edward D. Millea of the International Claim Association has appointed Carl Jones, manager of the New York office of the Commercial Travelers of Utica, chairman of the entertainment committee for the coming convention at White Sulphur Springs, Sept. 12-14. The committee on lay adjusters is composed of Harlan S. Don Carlos, manager claim department Travelers, chairman, R. K. Metcalf, Connecticut General Life, and A. F. Jaques, Prudential.

There will be a meeting of the executive committee in New York City in February, and the chairman of the various committees will submit reports regarding the activities of their committees.

### Form New Detroit Agency

DETROIT—A. H. Cruetz, for the past seven years with the E. B. Brink state agency of the United Benefit Life and Mutual Benefit Health & Accident in Detroit, and G. A. Bates, for two years with the same agency, have withdrawn to form the Bates-Cruetz Agency at 7372 Hamilton avenue, Detroit, and have been appointed general agents for the same companies. Mr. Cruetz has been the leading producer of the Brink agency for several years and placed seventh nationally in life business this year while Mr. Bates placed tenth in the nation among United Benefit agents. In 1936 Mr. Cruetz led the entire agency force of the country in production.

The new agency will write life, accident and health only.

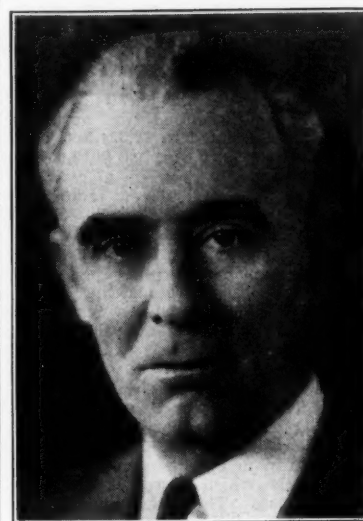
### Arrested for Fraud

G. W. Mathewson has been arrested at Circleville, O., in connection with alleged insurance frauds in six central Ohio counties, and has been bound over to the grand jury. It is alleged that after selling a health and accident insurance policy he would accept a note in payment of the first premium, promising to hold the note until it fell due. Instead he would discount the note at a bank and would not forward the application to the insurance company which he claimed to represent. It is alleged that Mathewson, who has several aliases, was paroled from the Ohio penitentiary in 1933, after serving 20 months of a sentence for obtaining money under false pretenses.

### Indicate 10 Percent Increase

According to advance estimates furnished by leading company members to the Health & Accident Underwriters Conference, there is an indicated increase in accident and health premiums for 1937 of approximately 10 percent as

### Advanced to Executive Vice-president of Time



JOHN A. KEELAN

At the annual meeting of the Time of Milwaukee, Secretary John A. Keelan was elected executive vice-president and secretary. C. G. Traphagen was re-elected president and treasurer and H. E. Damon vice-president.

Reports submitted at the meeting showed an increase in volume of business of about 12 percent for 1937 over the preceding year.

compared with 1936 volume. Loss ratios for 1937 are slightly lower than for 1936. These preliminary estimates were based on business representing over 60 percent of the total business written by conference companies.

### Sales Contests Discussed

PITTSBURGH—"Sales Contests That Click" was the subject of discussion at the monthly meeting of the

1903 \*\*\* 1938

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Year of Greatest  
Opportunity*

The Inter-Ocean is naturally proud, on its thirty-fifth birthday, not so much because of mere attainment of that age but more because of the fact that each year from 1903 to 1938 has been a year of real progress.

The INTER-OCEAN CASUALTY Co.

Executive Offices:

CINCINNATI, OHIO

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ADDRESS H-6, NATIONAL UNDERWRITER



### Pittsburgh Accident & Health Insurance Managers Association.

B. F. Davis of the Hoover & Diggs Company told of a system similar to a punchboard arrangement, whereby every salesman writing an application pulls a number. Every fifth and every tenth number called for a cash prize, and three grand prizes went to the men with the three largest volumes during the period of the contest, he explained. Much of the meeting was devoted to discussion of the accident and health round table in the Insurance Day program Feb. 14. C. H. Bokman, New Amsterdam Casualty, head of the association, presided.

### Discuss "Troublesome Claims"

The monthly meeting of the Chicago Claim Association was featured by a round table discussion on "Troublesome Claims." President T. W. Hislop, claim auditor Great Northern Life, presided, with about 50 attending. Following the discussion during which members cited certain cases involving right of autopsy, insurable interest, accidental means and misrepresentation, Dr. J. J. Moore, Chicago pathologist, and Dr. P. G. Dick, x-ray expert, gave their views on the medical angle of cases.

The association plans no February meeting, but will join with the Accident & Health Club of Chicago, an annual custom, in the stag party Friday, Feb. 11, which will take the form of a trip on the Chicago & Northwestern Railroad out of Chicago.

### Held Not to Be Insurance

DENVER—Attorney-General Rogers holds that a group hospitalization plan proposed in this city, patterned after the one already in operation in Chicago and eastern cities, would not be a form of insurance and therefore would not be subject to Colorado insurance laws.

### National Assurance Cuts Capital

LINCOLN, NEB.—The insurance department has approved the application of the National Assurance of Lincoln to reduce its capital from \$150,000 to \$50,000. While engaged in writing life insurance, an impairment of \$43,000 in its capital was found. It recently disposed of its life business to the Woodmen Central Life of Lincoln. After the directors and stockholders approved the change, the company will be licensed to write health and accident insurance.

### Attach Aviation Rider

The North American Accident is sending out the standard "fare paying passenger" aviation rider for attachment to the older forms of policies which did not include that provision.

### Claim Men Hear Morrison

BOSTON—Legal phases of coverage were discussed by John Morrison, Boston insurance counsel, at the monthly meeting of the Boston Life & Accident Claim Association. The speaker at the February meeting will be J. A. Blanchfield, superintendent life claim department Aetna Life at the home office, and in March G. M. Day, assistant manager claim department Connecticut General.

### Ten Percent Increase

The Columbian National Life's accident and health department showed an increase of 10 percent in premiums in 1937.

### Kentucky Misrepresentation Bill

FRANKFORT, KY.—Senator Buckley has introduced a bill providing that no misrepresentation made in obtaining a life or A. & H. policy shall render the policy void, unless the matter misrepresented shall have actually contributed to the contingency or event on which the policy is to become due and payable, and whether it so contributed in any case shall be a question for the jury.

### Western Casualty & Surety Has New Auto Rating Plan

The Western Casualty & Surety has made its contribution to current discussion over automobile rating by announcing a "schedule rating" plan for private passenger automobiles. The plan is a combination of the occupational rating system used by a number of non-conference companies and the merit rating or "safe driver reward" plan sponsored by the National Bureau of Casualty & Surety Underwriters.

Individually owned automobiles of assured falling in the prescribed classifications may be written at 20 percent below manual provided the owner or other regular driver has not been involved in an accident resulting in loss or reserve for loss other than adjustment expense during the preceding year. After being insured in the Western Casualty & Surety for a year with no accidents involving other than adjustment expense, the discount is increased to 25 percent, which continues as long as there are no losses.

If an assured suffers a loss, but there is no evidence of reckless driving, and he is in a preferred class, he may have a discount of 15 percent. The risk, however, must be submitted to the home

office for approval. This discount is increased to 20 percent if the insurance is carried in the Western Casualty & Surety for a year with no accidents other than adjustment expense. After another year without accidents, the 25 percent discount applies.

The preferred classes include architects and contractors, attorneys, doctors, dentists, osteopaths, nurses, employees of financial organizations, industrial, office, government and public utilities employees, retired persons, school teachers, school employees and managers and employees of stores. The automobiles must not be used for business purposes other than transportation to and from the place of business.

### No Commission Reduction

The Western Casualty & Surety at present is using this plan in a limited territory, with a reduction in agents' commissions. However, if the bureau rates are increased 5 percent, as is contemplated in the "safe driver reward" plan, the company will pay its usual commission scale.

In announcing the plan, President R. B. Duboc of the Western Casualty & Surety criticized the bureau plan. However, he pointed out that agents will receive more in dollars and cents under the bureau plan than under the various occupational rating plans.

### National Surety Managers, Claims Attorneys, Meet

Managers and claims attorneys of the National Surety from every point in the country were congregating at Chicago this week for their annual business conference with home office officials. Sessions will be held Thursday, Friday, and Saturday at the Edgewater Beach Hotel. The managers and attorneys hold separate business sessions, but will jointly participate in entertainment and social features.

### From the Head Office

From the home office are expected: President Vincent Cullen, E. M. Allen, executive vice-president; H. W. Nichols, general counsel, who will preside over the claims attorneys sessions; Sherman G. Drake, vice-president, who is to preside at the managers' gathering; Luther Mackall, vice-president; F. T. Hutchinson, superintendent fidelity claim department; Bert Weil and Alexander Kerner of the claim department.

President Cullen will review the company's 1937 experience and give advance figures from the statement; Mr. Allen will discuss field operations and plans for 1938. The sessions will be largely discussional.

## HEIRLOOM

**HEIRLOOM.** This term is derived from the English word heir and the Anglo-Saxon *geloma* or *loma*, household stuff. In old times, when the clothing of a family was spun and woven at home, the loom was the most important article of furniture in a house, and eventually its name became representative of all, in the same sense as we now use "furniture." In Cheshire, to this day, the word "loom" is used as descriptive of any article of furniture. From this use of the word comes its application to specific articles descending from father to son, and called "heirlooms."

—"Words, Facts and Phrases," Edwards

*Agents and Companies have many heirlooms which should be safe-guarded by friendly cooperation*

**Bankers Indemnity Insurance Co.**  
Newark, New Jersey

*\* Casualty Affiliate of The American Group \**

# Merit Rating Hits New Barrier

(CONTINUED FROM PAGE 19)

vertising in upwards of 1,000 daily newspapers. In this way the companies' message would be placed before the readers of 100,000,000 copies of newspapers, and reach virtually every automobile owner. Such advertising would be augmented by broadsides, posters and other promotional material to 90,000 agents and brokers as well as by close coverage of the spot news features of the safe driver reward plan as they develop.

The advertisements would appear simultaneously with the effective date of the reward plan in the various states, and for a limited period thereafter.

The J. Walter Thompson Advertising Agency is handling the details.

## See Compromise Possibility

Continental Casualty seems to take a very positive and militant stand in its statement but some of those who have analyzed the statement carefully express the belief that Continental Casualty has left the way open for a compromise.

Although Continental Casualty mentions the possibility that it will file its own rates, the statement declares that until such a step is taken, the company will use the merit rating plan in those states in which it is introduced by the bureau. However, instead of paying a top commission of 21 percent on the initial premium, the Continental states that it will pay the present scale of commission on the initial premium but will collect from the agent the commission on that portion of the premium which is returned to the policyholder who so drives as to produce no claim.

The casualty acquisition cost conference has not yet promulgated the new rules as to commissions under the merit rating plan. The by-laws of the National Bureau of Casualty & Surety Underwriters require that members belong to the acquisition cost conference.

Whether Continental Casualty is putting up a do or die fight in the matter remains to be seen.

## General Agency Company

Roy Tuchbreiter, executive vice-president of Continental Casualty, in making the announcement, stated that the merit rating program may fit into the picture of the branch office type of company, but it puts the companies committed to the general agency system at a disadvantage.

The commission arrangements under the merit rating plan which Continental Casualty proposes to follow would not represent much of a change as far as end results are concerned from the program to which the bureau is committed, some observers believe.

An example is given. The company insuring 60,000 automobiles with an average premium of \$50 would have a total premium of \$3,000,000. At 21 percent commission the company would pay out \$630,000.

Under the Continental Casualty plan, the agents would receive 25 percent of \$3,000,000 or \$750,000.

## Only \$7,000 Difference

If 15 percent of the motorists insured should produce claims, that would mean 9,000 automobiles at \$50 each or \$450,000. Continental Casualty would charge back to the agent 25 percent commission on that amount or \$112,500. That charge back deducted from \$750,000 leaves \$637,500 which would be the net final amount paid to agents under the Continental Casualty plan.

The statement issued by Continental Casualty reads:

"The Continental Casualty Company finds itself entirely out of sympathy with the so-called safe driver reward plan for the writing of individually owned private pleasure automobiles as proposed by the National Bureau of Casualty & Surety Underwriters. It is of the opinion that the plan lends itself to misunderstandings and disputes with the insuring public. It feels that it is not predicated

upon sound underwriting principles, in that it attempts to discriminate as to rates charged as between equally safe drivers with varying unavoidable loss experience. Its effect is to favor well-to-do assured who can afford to overlook a small claim and penalizes the man of modest means.

## No Change in Commissions

"Accordingly, the Continental is giving serious consideration to the filing of its own uniform rates for all private pleasure automobiles wherever the bureau's so-called safe driver reward plan is filed and approved. If it decides to do so, these rates will be filed wherever it is legally possible and will be equal in amount to the bureau's filing of the safe driver reward rates less 15 percent thereof. Where these rates are so filed and accepted, there will be no change in commissions to producers. If and when the Continental adopts this plan, it will do so on the basis of an understanding with its loyal agents and brokers to eliminate so far as is possible all questionable risks in order that the company's experience may be more favorable than that under the safe driver reward plan.

"Wherever the safe driver reward plan is adopted and until such time as the Continental can legally make its own filing, and provided the law permits it to do so, it will pay the same rates of commission to producers as heretofore on the premiums written under the said plan. That is to say, the same percentage as now provided will be paid on premium writings less cancellations, safe driver reward refunds and return premiums."

## OUTLOOK FOR PLAN

Representatives of the agency organizations that conferred with company executives in New York last week found that the bureau people were thoroughly committed to the 15 percent plan and inasmuch as announcement of the program had been so widely publicized in the newspapers there was no possibility of getting the companies to abandon the scheme or to modify it materially.

The agency conferees presented an alternative plan that had been agreed upon at a previous meeting in Chicago which provided for no increase in rates, no decrease in commissions and a graduated scale of rebates running from 5 percent the first year to 20 percent the fifth year, the rebate to be applied only to the reduction of renewal commission.

J. W. Randall, vice-president of the Travelers, was selected to champion the bureau's plan in the conference.

Following the conferences statements were issued by the National Bureau of Casualty & Surety Underwriters and the National Association of Insurance Agents.

"We believe," the agent's statement concluded, "that we can now best serve the interests of the members of the association by proceeding with the bureau plan in the hope that it will produce a safety factor which will be of benefit to the business and in the public interests."

## Disappointed at Decision

The statement declares that the association is disappointed at the decision of the bureau. The agents felt that the substitute plan was more salable. Reference was made to the fact that the bureau did agree to the increase in commissions but the agents state that throughout the discussions the commission question was minor as compared to the "principle involved." The producers requested, according to the statement, that the plan should at least be placed on an optional basis, that the assured should be given the alternative privilege of choosing between the merit rating

plan and the conventional basis. The bureau declined to accept that suggestion on the ground that this would lead to resentment on the part of assured who were posted on the difference and would be expecting a rebate.

"No undertaking in many years has been so universally protested by the agency forces, who nevertheless appreciate that the term 'safe driver reward plan' has a sound psychological appeal to a public unfamiliar with the mechanics of the insurance business," the statement asserted.

"After the meeting had adjourned, one of our leading members stated that since this decision has been reached, we must look to the interests of the members of the association and the organization itself, without regard to our feelings in the matter."

## Don't Question Sincerity

The statement declares that the agents do not question the sincerity of the company men in their conviction that they are embarking on a constructive undertaking.

The bureau's statement declared that careful consideration had been given to the alternative plan of the agents but declared there were "no adoptable improvements in the essentials of the plan as heretofore announced."

The bureau statement declares that the plan has been enthusiastically received by the public and this is an indication that a monetary reward through a rate differential on the basis of an individual's own record is looked upon as in the public interest from the standpoint of promoting safe driving, of giving the public more for its money and of encouraging more private passenger car owners to carry adequate protection.

## Offers Tangible Reward

The bureau concludes that the plan will encourage the safe driver by offering a tangible, monetary reward. This will appeal to the pride and good judgment of the car owner, the bureau states. The operation of this feature of the plan contains within itself a possibility for further reduction in the net cost of auto liability insurance.

The plan, according to the bureau, recognizes the demand of the public for a differential in rates between safe drivers and those who have accidents. "The plan makes sound bureau company stock insurance available to the safe driver at a substantially lower cost than he would otherwise pay."

## NEW YORK CONFERENCE

Although the National Association Casualty & Surety Agents has not issued a formal statement as to its position regarding the merit rating plan, spokesmen state that there will be no effort to obstruct the program. Representatives of that organization were just as unenthusiastic about the plan as were representatives of the National Association of Insurance Agents, but the producers' organizations feel that in view of the publicity that has been given to the plan they can't take any action that would put them in a position publicly of opposing their principals.

The company representatives at the New York conference included E. J. Bond, Jr., president Maryland Casualty; F. A. Christensen, vice-president Fidelity & Casualty; J. W. Randall, vice-president Travelers; Hale Anderson, vice-president Fidelity & Casualty; R. I. Catlin, assistant vice-president Aetna Casualty; W. E. McKell, vice-president American Surety; H. P. Jackson, president Bankers Indemnity; J. F. Matthai, vice-president United States Fidelity & Guaranty; A. B. Nickerson, Maryland Casualty; F. A. Seiler, auto superin-

tendent American Surety, and A. R. Goodale, assistant secretary Travelers.

The National Association of Insurance Agents was represented by C. F. Liscomb, Duluth, president; W. H. Menn, Los Angeles, chairman executive committee; W. H. Bennett, manager; W. E. Harrington, Atlanta; Eugene Battles, Los Angeles; George W. Carter, Detroit; J. B. Miller of the headquarters staff.

## Other Bodies Represented

The National Association of Casualty & Surety Agents was represented by C. C. Jones, Kansas City, president; W. D. O'Gorman, Newark, vice-president; C. A. Abrahamson, Omaha, chairman executive committee; J. W. Henry, Pittsburgh and C. H. Burras, Chicago.

The National Association of Insurance Brokers was represented by H. W. Schaefer and Julian Lucas, both of New York.

The agency representatives were informed that the bureau has not as yet filed the rating plan in any of the states in which filing is required.

Considerable interest is being manifested in the course that will be taken in New York. Just recently the automobile liability rates were revised downward in that state, the average reduction being about 10 percent.

## RATE BASIS REVIEWED

Some executives who are committed to the merit rating plan take exception to the designation of the 5 percent increase in rate that is to accompany the plan, as "loading."

The bureau rate making program contemplates that any rate change indicated by the experience, amounting to less than 10 percent, should be disregarded. This variation from the mathematically correct rate is termed the "off balance." At present, nationally the "off balance" is in the neighborhood of 4.9 percent. That is, if the rates were keyed exactly to the experience the national overall rate would be increased 4.9 percent. In introducing the merit rating plan, the companies decided to eliminate the "off balance" and to key the new rates to actual experience.

However, the rating formula at this time is producing a lower rate nationally. Even eliminating the "off balance," the new rates to be introduced simultaneously with the merit rating plan are expected to be somewhat less than the present rates. However, in some localities there will be substantial decreases whereas in others there will be increases.

## Automatically Effective Feb. 1

The intention of the bureau now is to make the merit rating plan automatically effective Feb. 1, in those states in which filing is not required. In the states that do have filing requirements the intention is to comply with the formalities as soon as possible.

Some of the executives who are committed to the merit rating plan express the opinion that it is not likely to be especially competitive against stock companies that are charging an initial rate 20, 25 or 30 percent off manual, but they do believe that it offers the agent an opportunity to compete on almost even terms with participating companies.

## Question of Administrative Details

Some of the agents have theorized that the merit rating plan will impose upon the producer considerable additional administrative details. The company executives believe that this worry is more imaginative than real. They believe that the agents will be delighted to have the opportunity to present checks to assured. If the company should relieve them of this detail, the agents would be likely to complain. Some company executives believe it may be necessary for the companies to handle that detail.

Another theoretical objection that has been cited by agents is that the man who reports an accident, even though



the other fellow may be at fault is likely to be penalized, even though he is playing safe and taking the proper course in making such a report. The company executives observe that the man who reports an accident on which no payment has to be made will not be penalized. There is no reason, according to the company people, why a man should not report every accident, whether he is liable or not, just as he does now. The companies hope, however, that under the new plan some policyholders will not ask the companies to pay claims when they are not liable, as some do at present.

### PROTESTS FROM THE FIELD

**COLUMBUS**—A special committee authorized by the trustees of the Ohio Association of Insurance Agents, to deal with the safe driver reward plan, will meet at the offices in Columbus Thursday, according to Secretary John A. Lloyd. The committee will study plans and if possible take steps to make the protest of the Ohio agents effective. President Austin McElroy has appointed this committee: J. F. Furniss, Lancaster; John Hannon, Cleveland; W. R. Perkins, Cincinnati; Hugh L. Meek, Columbus.

**OKLAHOMA CITY**—The executive committee of the Oklahoma Association of Insurers has authorized Manager J. D. Saint to request the state insurance board to grant this body a hearing before taking action on the safe driver reward plan, and that if the conference fails to reveal merits of this plan not heretofore revealed, the Oklahoma association will oppose its adoption.

**KANSAS CITY**—Agent members of the Casualty & Surety Underwriters Association of Kansas City adopted a resolution reiterating their opposition to the safe driver reward plan.

Although he voiced continued objection to the plan, Cliff C. Jones, president National Association of Casualty & Surety Agents, named several credit items that had come out of agency-company conferences on the plan. He praised highly the advertising which bureau companies propose to do. Also, companies have reacted favorably to the agents' proposal that the former offer half a dozen or more policies to sell under automobile coverage—"A policy for every purse."

**BOSTON**—The Boston Association of Casualty & Surety General Agents at its annual meeting authorized sending a telegram opposing the safe driver reward plan as originally conceived. "Unalterably opposed to commission reduction by increase in rate as part of plan," the telegram stated.

The election resulted in the selection of the following officers: President, Herbert G. Fairfield of Fairfield & Ellis; vice-president C. F. J. Harrington, O'Brien, Russell & Co.; secretary, Fred J. Murphy; executive committee, James H. Carney, Kaler, Carney, Liffler & Co.; G. B. Proctor, Patterson, Wyld & Winder; Rudolph Burrough, John C. Paige Co.; F. A. Dewick, Dewick & Flanders; and F. G. Farquhar, Boit, Dalton & Church.

A committee was appointed to investigate and report on the apparently growing practice of writing self-insurance and stop loss coverage, especially on workmen's compensation, consisting of W. B. Plumer, Elmer A. Lord & Co., Rudolph Burrough and C. F. J. Harrington.

### E. C. HUNKE'S POSITION

E. C. Huhnke of Duluth, who it was stated favored the safe driver merit rating plan, declares that he has not given his approval. There has been no meeting of the executive committee of the Minnesota Association of Insurance Agents of which he is president. The

committee will meet in Minneapolis, Jan. 28. Mr. Huhnke said:

"Neither as an individual or as president of our state association have I made any announcement approving the plan. I have sent a notice, not to the members of the state association but to agents reporting to our office, announcing the plan as it was given by one of our companies. I did, when the plan was announced originally by our company, give a synopsis of the plan to one of our local newspapers. I have at no time approved the plan in its entirety. There are some features of it which have considerable merit but there are others which are objectionable, principally of course the reduction in the commission. In that respect those of us operating a general agency are not in any position to write automobile business on this plan with the 5 percent margin. It costs us considerably more than that to do business."

### EARLE IS OPPOSED

**PORTLAND, ORE.**—Commissioner Earle of Oregon opposed the new automobile liability insurance rating plan in a talk to the Special Agents Association of the Pacific Northwest. He stated if the people of his state want merit rating they had better look for a new commissioner. A driver with a \$1,000 car at stake will not drive any more carefully just to receive a \$4.49 dividend on his automobile liability policy in 13 months' time, Mr. Earle contended.

### SEE CHANGE IN ATTITUDE

**NEW YORK**—Although not upon the agenda the automobile safe driver plan was discussed by the executive committee of the National Bureau of Casualty & Surety Underwriters at its meeting Wednesday. Managers stated there had been a reaction in feeling of agents toward the plan, many previously bitterly opposed to the idea now inclining to it. This sentiment, executives assert, will be strengthened once the rates are promulgated. The suggestion was advanced that these might be "unloaded," although this is held unlikely. No prospect is seen of any other bureau company following the example of the Continental Casualty.

### AETNA'S BOOK ON MERIT RATING

For the information of agents and brokers the Aetna Casualty has issued a booklet explaining clearly the operation of the safe driver reward plan.

### U. S. F. & G. Premium Increase

**BALTIMORE**—The net premium income of the United States Fidelity & Guaranty for 1937 was \$35,011,250, an increase of \$2,143,536 over the previous year.

### Bankers Blanket Bond Cover Improved

(CONTINUED FROM PAGE 21)

has been broadened to include officers, clerks and other employees while employed in, at or by any of the assured's offices covered by the bond. Another change in form No. 2 provides that termination of the bond as to employee as soon as the assured learns of any dishonest act on the employee's part shall be without prejudice to loss of property then in transit in the custody of that employee. Clauses in form No. 2 regarding discovery, offices covered, riot and civil commotion, travelers checks, valuation, salvage and cancellation, have been changed to correspond with the language of form No. 8 revised.

Form No. 5 revised, written only for savings banks, was brought out a few months ago to replace the old form No. 5. It embodied a number of these changes, particularly as regards including damage by burglars, and this was generally taken as an indication that similar change would be made in forms No. 2 and No. 8 revised.

## ALL RISK PUBLIC LIABILITY INSURANCE

Antiquated policies won't protect  
against tomorrow's new-born  
hazards.

Comprehensive Liability Insurance  
will.

**Great Lakes Casualty Company**  
Detroit, Michigan

## BITUMINOUS CASUALTY CORPORATION



H. H. CLEVELAND  
President and  
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SINCE JULY 1, 1917, THIS ORGANIZATION HAS SPECIALIZED  
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INSURANCE

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(Other than Automobile) Coverages  
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INQUIRIES ADDRESSED TO OUR NEAREST GENERAL AGENT  
OR BRANCH OFFICE, ARE INVITED

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V. C. McDonald.....	Heyburn Bldg.....	Louisville, Ky.
Wm. P. Rollins.....	130 E. Washington Bldg.....	Indianapolis, Ind.
J. Carr.....	Insurance Exchange.....	Des Moines, Ia.
C. F. Crist & Co., Inc.....	114 W. 10th Street.....	Kansas City, Mo.
Walsh Insurance Agency.....	Webb-Crawford Bldg.....	Birmingham, Ala.
Hicks-Brady Company.....	Harry Nickel Bldg.....	Nashville, Tenn.
R. A. Hesse.....	721 Pierce Bldg.....	St. Louis, Mo.
T. H. Mueser, Inc.....	210 So. 19th St.....	Omaha, Nebraska
J. Austin Dilbeck Ins. Agency.....	Trust Company of Georgia Bldg.....	Atlanta, Ga.
R. T. Ohlweiler.....	Metropolitan Bank Bldg.....	Minneapolis, Minn.
C. L. Owenby, Inc.....		Tallahassee, Fla.

HOME OFFICE, CLEVELAND BUILDING, ROCK ISLAND, ILLINOIS

## Missouri Decision Curbs Adjusters

(CONTINUED FROM PAGE 10)

readily be controlled by the adoption of an act, by the legislature, requiring all persons engaged in the settlement of claims to be licensed for such work, and providing for a revocation of such license upon proof of misconduct. The burden imposed by the defendants' proposal is out of all proportion to any possible benefit to the public."

On the same day, following the Missouri court decision appeared an editorial in the St. Louis "Post-Dispatch" expressing the opinion that the decision was a victory for the public interest.

### ISSUE IN NEBRASKA

LINCOLN, NEB.—Although a committee of the state bar association named to investigate unauthorized practice of law recommended to that body that it take up first the activities of lay adjusters and adjustment companies, principally acting for insurance companies, and that investigators be employed to ferret out all cases where legal advice is being offered by persons unauthorized to practice law, officials of that organization say that no such crusade is being planned. They are inclined to believe that better results could be secured by following the California plan, where agreements were drawn, setting up lines of demarcation between the two groups, as well as between the lawyers and trust and title companies. They do not believe that the violations are numerous enough to justify the employment of a full time investigator, although under the bar integration plan, given legal effect by the supreme court edict, the association has a \$10,000 a year fund to finance its activities from membership fees.

The committee advised investigation of adjusters first because it found that persons in this class are the ones most actively engaged in unauthorized practice. It suggested the enactment of a law forbidding a lawyer from dividing fees with a layman, with penalties upon both the layman and the lawyer. It says this would put an end to the practice, among others, of adjusters and adjustment agencies turning over all of their business to certain lawyers in consideration of a payment of part of the lawyer's fees to the adjusters.

Some lawyers think that any such crusade would cause a flareback that would injure the profession in public relations that the association is now trying to better, while others think they get more business as the result of bad advice from laymen. The supreme court recently held that as the law forbids the unauthorized practice of law, it makes no difference where the act is done if what is done constitutes unauthorized practice.

### NEW JERSEY ACTION

The preliminary hearing in the test case of several New Jersey bar associations against Walter D. Ullrich of Atlantic City is being held this week in the chancery court at Atlantic City. It was postponed from an earlier date. The action is by the Atlantic County Bar Association, Camden County Bar Association, New Jersey Bar Association and Charles D. Hyman, an attorney in Atlantic City. The action is on a rule to show cause why an injunction should not be allowed to restrain Mr. Ullrich from the so-called "practice of law." Mr. Ullrich is an adjuster and investigator.

The allegations in the bill of complaint are to the effect that Mr. Ullrich appears before courts, draws up legal papers, gives advice and "adjusts" claims.

Mr. Ullrich expresses the belief that the affidavits in support of a complaint do not support any of the allegations in the complaint or bill other than the fact

that he did on one occasion appear before the Workmen's Compensation Bureau on an informal hearing; that he did negotiate with several attorneys and did adjust some claims. Mr. Ullrich explains that in the proceedings before the Workmen's Compensation Bureau there are two types of hearings, one being formal and the other informal. At the formal hearings all parties are compelled to be represented by counsel. The informal hearings before referees of the bureau are exactly what the name implies, Mr. Ullrich maintains. The bureau attempts amicably to adjust claims in which there may be some minor controversies between the injured employees and carriers.

Neither party is required by the bureau to be represented by counsel. In fact, Mr. Ullrich declares, the bureau discourages injured employees from employing counsel, as it is not necessary. Mr. Ullrich contends that whatever the practice may be before the bureau it is a matter that comes within the jurisdiction of the bureau, which is, by statute, permitted to make its own rules and regulations. Mr. Ullrich states that the only point of particular moment in the entire matter is whether the adjustment of a claim against an insurance company is a practice of law. Mr. Ullrich takes the position that an insurance company has a right to adjust claims if they be made against it and its assured and that these matters, when litigation is not involved, can and should be handled by any one selected by the carrier, whether he be a layman or an attorney.

It is understood that the Workmen's Compensation Bureau and the New Jersey Association of Underwriters (the agency organization) have employed counsel for the purpose of making an application to the court to be permitted to join the defense. Both organizations, it is reported, feel that their rights may be seriously involved in the pending proceedings.

Vice Chancellor Berry in Newark, following the hearing Wednesday, reserved decision. Counsel will file briefs, with a decision expected in about a month.

### OCEAN WINS ST. LOUIS CASE

ST. LOUIS—Circuit Judge Rowe has sustained a defense demurrer to the suit brought against Ocean Accident, Harry D. Dietrich, superintendent of the local claim office, and Donald W. Rowan, an adjuster for the Ocean, by the Missouri state bar committee. The case which involved the question of whether the work of lay adjusters constitutes practice of law closely parallels the case decided at Columbia against six mutual casualty companies.

Judge Rowe explained that the Columbia case had been heard on its merits while he had decided the Ocean case on a demurrer, which attacked the sufficiency of the committee petition.

## Iowa Commissioner Joins Casualty Executives Body

(CONTINUED FROM PAGE 10)

estic casualty associations. A native of Iowa, he was educated in the public schools and the University of Iowa. Turning from college to the law, Mr. Murphy was admitted to the bar in Oregon and Iowa, and began practice in his home town of Ida Grove in 1913, continuing until he went to Des Moines as chairman of the Iowa state board of assessment and review in 1934. He served two terms as county attorney for Ida county, and 10 years as city solicitor for Ida Grove. In 1923 and 1924 he was chairman of the Iowa state board of parole and in 1934 and 1935

chairman of the Iowa state board of assessment and review.

Mr. Murphy began his active military experiences with the Mexican border affairs in 1916 and 1917. In 1917 he joined the army as a lieutenant of infantry. He became a machine gun captain in 1919. His services in the Iowa National Guard covered 13 years. After the war, Mr. Murphy helped organize a post of the American Legion in Ida Grove in 1919, serving as its commander in 1922. The same year he was chairman of the national athletic commission. In 1925 and 1926 he was commander for the department of Iowa. He twice served as department legislation chairman. From 1929 to 1933 he was national executive committeeman, and in 1933 was chairman of the national legislative committee. In 1934, he was chairman of the national Americanism commission, the Legion's potent educational force. At St. Louis, in 1935, he was elected national commander.

### Had 500 Speaking Dates

As such he traveled to every state, covering 100,000 miles, filling some 500 speaking and radio engagements.

An energetic citizen, Mr. Murphy has held many public and civic positions. He was president of the Ida Grove Commercial Club, and chairman and district councillor of the American Red Cross. He has been chairman of the soldiers' relief commission, and a member of the governor's committee on social security legislation. He was a member of a sub-committee which drafted the Iowa unemployment compensation act, and chairman of the sub-committee which drafted the new social welfare acts of Iowa.

Mr. Murphy is married to the former Edith Northrop, Ida Grove, and is the father of two sons. One, James Raymond, Jr., is a student at the University of Iowa, and the other, Charles Hanford, is a high school student in Des Moines.

### WIRES HIS RESIGNATION

DES MOINES.—Mr. Murphy wired his resignation as commissioner to Governor Kraschel, who is in Washington. His resignation removed him from prominent consideration as a potential new deal candidate against United States Senator Gillette of Cherokee in the primaries, and as a potential candidate for governor if Kraschel opposes Gillette.

## R. B. Innis Addresses Buyers on Fidelity Cover

KANSAS CITY—Stressing the need of employers to bond every employee who has custody, access, or responsibility of money or property, Ralph B. Innis, head of the agency bearing his name, discussed fidelity bond coverage before the Kansas City Insured Members Conference of the Associated Industries of Missouri.

"You never need a fidelity bond on an employee until he goes wrong, and if the amount of the bond is not sufficient, you cannot increase it after the loss. If you have no fidelity bond at all in force, you certainly cannot get one after there has been a loss," said Mr. Innis.

H. R. Northrup, it was announced, will resign as director of the insurance and workmen's compensation department of the Associated Industries to become an independent insurance counselor with headquarters in St. Louis. Mr. Northrup was nine years with Associated Industries. Prior to that he was for 10 years manager of the casualty rating bureau.

W. A. Semsrott, who has been assistant general superintendent of Scruggs, Vandervoort & Barney, St. Louis department stores, will succeed Mr. Northrup.

G. R. Tyler, controller of Harzfeld's, Inc., Kansas City department stores, has been elected chairman of the Insured Members group. Vice-chairman is J. P. Compton, comptroller American Asphalt Roof Corp. L. A. Meadows continues as secretary.

## Excess Compensation Cover Ruled to Be Insurance

Excess aggregate and catastrophe excess policies written in connection with workmen's compensation and employers liability contracts, or protecting self-insurers over a stipulated amount of compensation losses, were ruled to constitute writing workmen's compensation and not to be "reinsurance," by Attorney-General Kerner of Illinois. He held that for a company to transact such a business in Illinois it must be licensed to write compensation.

The ruling was asked by Insurance Director Palmer, who submitted two types of such contracts as written by an unmentioned carrier. It is expected to affect principally London Lloyds, which has been active in the field. London Lloyds' new Illinois license issued Dec. 28 does not authorize it to write compensation.

It is believed that London Lloyds had expected to get a substantial volume of compensation "excess aggregate" and "catastrophe excess" premiums from Illinois under the new license set-up under the theory that this was not writing primary insurance on risks. However, this represented a competition technique that has been employed for some time not alone by London Lloyds, the method being to call a certain nominal initial amount primary protection, then to write an excess contract on all over that initial sum. London Lloyds has secured a large volume of that business especially going after self-insurers, covering them for all over \$5,000.

Director Palmer's inquiry briefly explained how the two contracts operate. The catastrophe excess, he said, indemnifies the employer for accidental or disease injuries to employees and also for costs and expenses incurred in connection with claims, with consent of the carrier. This is within a limit of liability of a certain amount for each and every disaster regardless of the amount of the policy. The aggregate excess contract covers self-insurers for their liability to employees under the compensation and employers liability law, including death. It guarantees that the self-insurer's total loss in this connection will not exceed 80 percent of the normal premium or the sum set, whichever is greater; it "reinsures" the self-insurer against all loss in excess of 80 percent, subject to the limits; it applies to injuries sustained by any employee of the self-insurer except employees of subcontractors; it covers such injuries sustained by reason of the business operations.

Attorney-General Kerner ruled such contracts are insurance and not reinsurance, even though they do not cover the entire amount of liability. The liability that they insure, he ruled, arises out of the employer-employee relation, and is "therefore just as distinctly workmen's compensation or employer's liability as if the entire liability of the employer for such compensation were insured."

### Start A. & H. Educational Series

NEW YORK—A number of life men as well as several hundred accident agents and brokers attended the initial meeting of the first of a series of gatherings designed by the Accident & Health Club of New York to stimulate interest in the sale of accident and health insurance. W. T. Hammer, Metropolitan Casualty, was chairman, while J. R. Garrett, National Casualty, and H. M. George, United States Fidelity & Guaranty, were principals in a skit, designed to bring out the main features in the average accident and health policy. Mr. Garrett posed as a prospect and Mr. George as an agent explaining the operation of the different contract conditions. At the next meeting, Feb. 1, and at subsequent gatherings stress will be placed on selling methods. The speakers, all men of ripened experience along that particular line, will tell of methods they have found successful in closing business.



# POINTERS FOR LOCAL AGENTS

## Suggestions Are Made in Selling U. & O. Cover

At the annual field conference in the western department of the Fireman's Fund this week in Chicago, Frank L. Erion, well known independent adjuster, gave a talk on use and occupancy which has a general interest to all in the business. He said:

"U. & O. does not guarantee either use or occupancy but it does insure the earnings produced by use and occupancy of business premises and it functions when those earnings are decreased or entirely prevented by the named hazards. Think of U. & O. as insurance of expected or prospective earnings. The present forms should be simplified and shortened yet they are easily understood when studied by one who has been informed in advance of their intent.

### Definition of Intent

"The intent of U. & O. is to insure 'gross earnings less that part thereof which is used during operation to pay expenses that it will not be necessary to pay during inoperation.' Get this definition of intent firmly fixed in your mind and your questions about this or that condition in the form will answer themselves.

"It would be ideal if you could offer a policy insuring against loss of earnings however caused; excepting only those losses occasioned by changing commercial conditions and those within control of the management, as credit losses, bad buys, imperfect manufacture, etc., but such policy has not yet been made available.

### Can Present Broad Policy

"As fire insurance men you are privileged to present the broadest policy now extant which is the fire policy plus extended coverage and sprinkler leakage endorsements. This policy that is yours to offer covers against loss occasioned by every menacing hazard. Other possible causes of loss are remote except possibly loss due to boiler explosion or machinery break-down, both of which can be covered under a separate policy though the form used is not as desirable as that of fire companies. The fire policy may be further extended, at additional premium cost, to cover loss occasioned by disaster in the premises of others upon whom insured depends for materials, supplies or merchandise.

### Normal Profits Lessened

"Some merchants specialize on well known lines; others have the exclusive right to sell the product of certain manufacturers in their city. Many manufacturers contract with others for materials or parts. The destruction of a foundry or machine shop owned by others may involve patterns or templates which have been furnished by your manufacturer and thus cause him a serious loss of production and consequently a considerable loss of earnings. Usually in an emergency the merchant or manufacturer can find another source of supply but there is apt to be delay and almost certainly an increased cost which will lessen their normal profit.

"Once a business man is caused to realize that you can furnish him a policy which guarantees disaster will not make his annual statement a 'cock-eyed' disappointment, you cannot keep him from taking the policy away from you. It is your duty to insist that he

buy sufficient insurance to accomplish this purpose and further to explain that your policy limits its liability to the period necessary to restore the premises and does not guarantee volume of business thereafter. Decrease in business volume after restoration may in extreme cases cause a loss of earnings that will affect the annual statement but most business men are confident they can hold their trade and explanation of this feature will not deflect their purpose to buy this desirable form of insurance.

### Should Create Voluntary Desire

"The acme of salesmanship creates a voluntary desire to buy thereby transferring to the purchaser the elation which the less efficient salesman selfishly wants for himself. High pressure methods which if successful elate the salesman are not conducive to voluntary renewals while to the contrary a buyer who is impelled by his own judgment to secure a policy graciously accepts renewals.

"A simple method of determining the amount upon which U. & O. insurance is to be based is as follows:

Annual sales (for preceding year).....	\$100,000
Deduct:	
Returns and allowances.....	500
Prepaid transportation (except your own free delivery).....	350
Credit losses reasonably expected.....	150
Discounts allowed.....	150
Total deduction.....	1,150
Net sale proceeds.....	\$ 98,850
Less cost of sales determined as follows:	
Cost of merchandise, materials and supplies including those which enter into the wrapping and packing of articles sold but excluding all labor and expense of every nature.....	\$31,000
Inbound transportation.....	3,000
	34,000
Gross earnings.....	\$ 64,850
Deduct:	
Labor payroll—not including wages of any who must be retained during suspension.....	\$18,000
Compensation insurance premium on said payroll.....	250
Social Security tax on said payroll.....	180
Light, heat and power.....	2,000
Total deduction.....	20,430
	\$ 44,420
Add or subtract for anticipated increase or decrease.....	7,500
	\$ 51,920
Insurance required by 80 percent clause.....	41,500

### Advises Against Per Diem Form

"Other transient expenses are not deducted for the reason that most U. & O. losses involve such short periods of total suspension that owners insist no other expense can be avoided. If the total suspension period be long, there are other expenses that can be stopped and in such case it may appear that insured has been required to carry an excessive amount of U. & O. insurance but in the more frequent partial suspension losses, insured benefits by the requirement. Sell the contribution form or the 'agreed amount' form. Avoid selling the per diem form. The New England board has discontinued the per diem form; other jurisdictions will prob-

ably follow that lead. Explain that 80 percent insures for only slightly more than 8½ months. If insured feels it might take longer to rebuild in case of total destruction, increase the U. & O. insurance proportionately. If the estimated time required to restore exceeds one year, write your company about modification of the form.

### Wide Variance Noted

"Figures used in above form are fictitious and should not be used to establish percentages for lightning calculations. You can get average percentage figures pertaining to certain commercial activities from the Harvard Bureau of Business Research but there is a wide variance between the high and low so the only safe way is to use actual experience figures from records of insured. The work will do you good—if it was any easier, your company might see fit to use inexperienced young men to replace you. Finding U. & O. value by this method obviates discussion of such moot questions as 'depreciation,' 'are my fixed charges covered during my dull periods?', 'Is my rent insured?' etc., because they do not naturally arise as when you undertake to find the value by starting with the item of net profits and adding the various items of fixed charges.

### What U. & O. Really Covers

"Should those or other similar questions arise the answer is to read Item 1 of the form and quietly but firmly insist it covers every form of expense that necessarily continues provided only it would have been earned had no disaster occurred. This answer will tend to cause realization that U. & O. insurance covers earnings less avoidable expenses regardless of what the expenses are termed or how they are accounted.

"For mercantiles or non-manufacturing risks in the midwest there is available an 'agreed amount' form which may be preferred by a merchant who fears he may in case of loss be penalized by the contribution clause. The terms of the 'agreed amount' form are identical with those of the contribution form except as concerns the contribution clause itself; which in the agreed amount form is based upon an amount determined upon basis of a statement certified by a public accountant. If insured does not employ an independent auditor, he can sign his own statement of values but in such cases the 'full amount clause' must be included in the form.

"The 'full amount clause' does not af-

fect the agreed amount but merely provides that if insured's statement of values is found to be incorrect, the insurance liability is reduced to that proportion of the loss which the values reported by insured bear to the actual values for the reported period. There is a small additional charge for the 'agreed amount' form but this may not deter those who fear a possible penalty under the contribution clause from buying it. The only real difference between the contribution and agreed amount forms is that insured cannot suffer any penalty under the latter provided his values have been certified by an independent accountant and he carries insurance equal to or in excess of the agreed amount. Insured can suffer penalty if he signed his own statement of values and said statement is found to be incorrect.

### Extra Expense Cover

"Akin to U. & O. is 'extra expense' insurance. U. & O. insures against loss of earnings due to lessened income. 'Extra expense' indemnifies when disaster does not lessen the income but does cause unusual and extraordinary expense to be incurred. Primarily the extra expense form was devised for newspapers which regardless of disaster would continue publication at any cost. This form may be used to insure any concern which like the newspaper would continue without material loss of income but whose earnings would be depleted by unusual expenses.

"For example, if a laundry be destroyed, the owners would arrange for a competitor in the same or a nearby city to do its work thus enabling retention of its customers, pick-up drivers, office force, etc. The destroyed laundry would likely retain a full volume of business but would have to pay its competitor more than its own cost to do the work. This extra cost would likely be enhanced by the fact that the assisting plant would be forced to operate at night and pay higher wages for the overtime. There would be additional hauling expense, etc., all of which would greatly reduce the earnings of the destroyed laundry though there was no reduction in its income.

"The same reasoning applies to stock brokers and various other brokerage concerns, also to milk distributors, physicians, dentists, etc. Extra expense insurance will appeal to many small manufacturers whose equipment could be immediately replaced in new quarters but it does not insure earnings and will not reimburse for lessened income."

## Adequate Office System Is Essential in Local Agency

Oscar Beling, special representative of the Royal-L. & L. & G. group at the head office, in his talk before Lansing, Mich., agents, emphasized the importance of establishment by every agency of adequate line records for every customer of the agency. He said that, despite his many suggestions for effecting economies in the office, setting up of such a system should not be delayed by false notions that an average agency could not afford it. Through intelligent use of the plan, he said, office efficiency is immeasurably increased and sales possibilities enhanced. He advocated either a line card file or line folders, pointing out the extra advantages of the latter in providing more complete data and making unnecessary the keep-

ing of duplicate files. By using colored tabs, he said, the alphabetical line file could be used with the utmost efficiency as an expiration file.

Mr. Beling said it is significant that every agency putting in a line record system of which he has had knowledge has shown a marked increase in business directly afterward. He cited innumerable examples in which such a filing plan has proved advantageous in facilitating canvass for additional business as well as building up good will for the agency because it puts the agent immediately in possession of full information regarding the individual client's coverages and probable needs.

The speaker, in addition, made a system (CONTINUED ON PAGE 38)

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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Wisconsin B. D. Meeting Held Protest Made at Rock Island

**Charles Martin in Charge of Session in Green Bay—Local Agents and Field Men Speak**

GREEN BAY, WIS.—Local agents from northwestern Wisconsin attended a Business Development meeting here arranged by the Wisconsin Fire Underwriters Association in cooperation with the Wisconsin Association of Insurance Agents. Arrangements were in charge of Charles Martin, special agent Crum & Forster, chairman of the committee for this district, assisted by Hans Schultz, Caledonian; S. B. Wright, Northwestern Fire & Marine, and E. C. Hauser, North British & Mercantile.

Fred Smith, De Pere, president of the Brown County Fire and Casualty Insurance Underwriters Association, opened the meeting and was followed by H. O. Giesler, dean of local agents in this section. Chairman Martin conducted the morning and afternoon sessions for the discussion of the B. D. program in open forum after a number of field men and local agents spoke. C. H. Dachenbach, Crum & Forster, president of the field club, and D. W. Swanson, St. Paul Fire & Marine, vice-president and chairman of the public relations committee, spoke briefly.

Field men on the program included Frank Goldthorp, Commercial Union; W. W. Ferguson, Queen and Newark; C. R. Bock, Liverpool & London & Globe; C. W. Hutchinson, North British, and George Peacock, Agricultural. Speaking for the local agents were W. B. Calhoun, Milwaukee, national councillor for Wisconsin and chairman of the Wisconsin association's public relations committee, and John G. Seidel, secretary-treasurer of the state association.

### Polk Vice-President of Agency

W. L. Polk has been elected a vice-president of F. D. Hirschberg & Co., Inc., St. Louis agency. A graduate of Yale in 1931, Mr. Polk joined the Hirschberg agency as a personal producer in September of that year. All other officers of the agency were re-elected.

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**Local Agents Complain That All Insurance on New High School Building Was Given to Mutuals**

ROCK ISLAND, ILL.—A committee from the Rock Island Fire & Casualty Board contacted with the board of education regarding the insurance on the new high school building inasmuch as the educational board had placed all the insurance in mutual companies. The previous action was reconsidered and it was decided to place one-third of the insurance with stock companies. The total insurance is \$840,000. The agency committee consisted of C. J. Montgomery, president of the insurance board; R. C. Mitchell and R. R. Walker.

W. F. Kuffel of Chicago, special representative of the Phoenix of Hartford, acted as spokesman. The committee challenged the decision of the school board not on the ground that it was attracted to the lower cost but because it set a precedent for property owners of the entire area in their purchase of insurance. Claim was made that the saving effected in buying mutual insurance was more than offset by the safety of the stock companies. The agents said that the school board was not fair in placing its entire insurance with mutual agents and ignoring the local stock agents.

### Head of Detroit Insurance Agency Is Honored



GEORGE W. CARTER

George W. Carter, president of the Detroit Insurance Agency, was feted at a brilliant dinner in his home city Saturday evening, the occasion being the 25th anniversary of his service with the agency. Mr. Carter is one of the most prominent local agents in the country and has been for a number of years national councillor of the Michigan Association of Insurance Agents. About 35 company executives from Chicago and the east attended the dinner and Harold Warner, U. S. manager of the Royal-Liverpool, served as toastmaster.

A handsome souvenir booklet, done in silver, contained a sketch of the career of Mr. Carter together with his picture. He was born on a farm near Hamilton, N. D., but his family moved to Chicago when he was quite young. He started

in the business as an office boy with the Orient in Chicago. Subsequently he was connected with Newberger & Co., Moore, Case, Lyman & Herrick, and Marsh & McLennan agencies in Chicago. In 1913 he became office manager of the Detroit Insurance Agency and proceeded to move rapidly forward in the affairs of that office. Early in 1914 he was made secretary-treasurer of the agency and later in the same year became vice-president. He had been president since 1931.

Those named in the silver booklet as being honor guests are: John C. Harding of Chicago, executive vice-president Springfield F. & M.; E. A. Henne, Chicago, vice-president America Fore; George C. Long, Jr., president Phoenix of Hartford; P. J. Monaghan, attorney for the agency; F. J. O'Neill, president Royal Indemnity; A. F. Powrie, western manager Fire Association; R. D. Safford, vice-president Travelers Fire; Paul B. Sommers, president American; C. R. Street of Chicago, vice-president Great American; S. W. Tripp, general manager Western Factory; Raymond Waldron, vice-president Detroit Fire & Marine; Sheldon Catlin, vice-president North America; W. P. Robertson, western general manager North America; Harold Warner and Frederick J. Ward, an attorney. All of those named were present except Mr. Harding.

Mr. O'Neill presented the honor guest with an electric clock and the office organization presented their president with an engrossed testimonial. The speakers included Messrs. Street, Long, Robertson, Ward, Waldron and L. J. Leppert of the Detroit Insurance Agency.

### Ohio District Meet to Be Held in Cleveland Jan. 26

CLEVELAND—The Ohio Association of Insurance Agents will hold a mid-winter seventh district conference here Jan. 26. The January meeting of the Cleveland Board will be combined with it.

The conference will feature an all-star program. John A. Lloyd, secretary of the Ohio association, will talk on "Association News." M. W. Slawson, Royal-Liverpool group, will talk on "Extra Expense Insurance." E. D. Lawson, manager western marine department Fireman's Fund, will discuss "The Personal Property Floater." Charles E. Freeman, superintendent of sales development Springfield Fire & Marine, will offer a one-act "Sales Skit." Clarence T. Hubbard, manager of the special risks department and assistant secretary of the Automobile, will talk on "Trends."

The meeting is in the afternoon and will be followed by a dinner. A tea for the ladies has been arranged for the afternoon.

### Wisconsin Agents Win Cover from State Competition

WISCONSIN RAPIDS, WIS.—Wood county local agents were victorious in their fight against the state fire fund when the county board of supervisors voted 35 to 12 that the county insurance committee be instructed to work out an insurance plan with the local agents in connection with \$256,700 of insurance falling due in February.

The debate on the subject was between G. F. Risley, special agent Great American, representing the stock company local agents, and F. P. Lawton, Madison, supervisor of the state insurance fund. Mr. Risley pointed out that there was no need for state competition with private insurance companies which have served efficiently for over 100 years at the lowest possible rates consistent with safety and good business practices. He assailed the security of

the state fund, pointed to failures in some other states, charged the Wisconsin state fund cannot operate on the same basis required of stock companies without subsidy and this added to taxes, that price cutting of rates established for stock companies was unfair and un-American as was state competition with private enterprise. He said the choice between state insurance and private insurance was a choice between totalitarianism and true democracy.

### Describes State Fund

Mr. Lawton described the state fund setup, the financial position, its expansion from insuring state property to include \$138,000,000 of coverage in 38 counties and many cities and smaller subdivisions. Liquid assets equal \$16 for every \$1,000 of insurance which, he said, was a better record than any private company can show. Service rendered by the state fund, Mr. Lawton claimed, is on a par with that of commercial companies, providing appraisal service and all other advantages but charging only half the premiums.

J. C. Dutton, president of the Wood County Insurance Agents Association, told of the effort made by local agents to put county insurance on a sound basis.

### Missouri Committee Named to Confer on Filings

ST. LOUIS—M. L. Clevlen of Poplar Bluff, president of the Missouri Association of Insurance Agents, has appointed a special conference committee to confer with the companies on the question of future filings with the Missouri department.

Members of the committee are: O. D. Prowell of G. D. Capen & Co., St. Louis, chairman; W. J. Welsh of Mann, Barnum, Kerdolff & Welsh, Kansas City, vice-chairman; J. J. O'Toole, F. D. Hirschberg & Co., St. Louis; George Oppenheimer of Oppenheimer Brothers, Kansas City, and H. A. Cox of Cox & Sparlin, Springfield.

At a preliminary meeting here it was decided to enlarge the committee by the inclusion of representative agents from other sections of the state. President Clevlen will serve as an ex-officio member.

The purpose of the committee is purely cooperative and advisory. It will endeavor to advise the representatives of the companies on the probable effects of future filings as applied to particular conditions in Missouri. The Missouri department will be advised of the existence of the committee so that if he desires, Superintendent Robertson may call on the committee for a hearing prior to putting future rates and classifications of risks, etc., into effect. If on occasions the members of the committee are opposed to any future filings, they may ask to be heard by the department on such filings before they are officially accepted.

### Fire at Hamilton, O.

HAMILTON, O.—An estimated fire loss of \$70,000 was caused by what was believed to be a short circuit in a transformer at the E. H. Frechtling Co., Hamilton, O., wholesale grocers, warehouse. Flames leaped to a building owned by the Leshner Corporation and a shed belonging to the Herring-Hall-Marvin Safe Co. The Frechtling company was written under a general form covering five buildings with \$25,000 in the Columbia Fire and \$25,000 in the Continental. The warehouse is a complete loss and amounts to \$33,000. Contents were written under a reporting form in the Continental and Fidelity-Phoenix with \$75,000 limit. Loss in the second building will approximate \$3,000 on the building and \$5,000 on the stock. Paper stored in the shed belonging to

the Journal Publishing Company was damaged to the extent of \$2,000. Newspapers at first stated the loss would exceed \$200,000.

### Minnesota Farm Mutuals Meet

ST. PAUL—Farm mutuals of Minnesota want legislative authority to write coverage on churches in villages of 1,000 or less population. The Minnesota state association went on record favoring such a step at the annual meeting here. The mutuals also want the Minnesota drivers liability law-amended so as to exempt drivers from liability for injuries to guest riders unless criminal negligence is shown.

L. Jensen, Clearbrook, was elected president; John M. Ramey, Minneapolis, vice-president; A. E. Anderson, Cottonwood, secretary, and Frank P. Powers, Mora, treasurer.

It was announced that prospects are bright that 135 farm mutuals will recover \$180,000 which they advanced to two other companies 19 years ago to save them from bankruptcy following the Moose Lake forest fire. A pool was raised at that time to help out the two companies.

### Williams Owatonna Speaker

OWATONNA, MINN.—W. A. Williams of the Fred L. Gray Co., Minneapolis, spoke on "The Knack of Selling" at a meeting here of the Southern Minnesota Agents Regional Association.

### Carpenter Is Markham Partner

ST. LOUIS—George O. Carpenter, Jr., has been made a partner in W. H. Markham & Co. He has been with the agency since 1902 for the five years 1908-1913. Other members of the firm are: George D. Markham, son of the founder of the agency; A. H. Hitchings, C. H. Morrill and Boyle O. Rodes. The late John R. Goodall, a partner in the agency, who died in December, had been with the office 54 years.

### Milwaukee Razes Old Structures

Last year Milwaukee razed 720 dilapidated buildings. During the last 10 years 5,321 such structures have been destroyed.

### Toledo Bans Fireworks

An anti-fireworks ordinance based on National Fire Protection Association recommendations has been adopted by the Toledo city council. Only supervised public displays will be permitted.

### Reelect Felker in St. Louis

ST. LOUIS, MO.—Arthur F. Felker, Laclede Insurance Agency, was re-elected president of the Fire Underwriters Association of St. Louis at the annual meeting. Other officers are: Vice-president, W. D. Hemenway, Jr., Insurance Agency Company; secretary, K. M. Hickey, Mercantile Agency; treasurer, J. J. O'Toole, F. D. Hirschberg & Co.; executive committee, Class 1, L. E.

Bright, Lawton - Byrne - Bruner Insurance Agency Company; Boyle O. Rodes, W. H. Markham & Co.; Louis H. Trout, General Insurers, and Walter Boehmer; Class 2 and 3, E. J. Boyce, J. F. O. Reller, D. F. Sheehan and G. S. Metcalf; registered brokers, J. F. O'Boyle, E. R. Smith, L. P. Cremins and W. P. Selby. The four officers also serve on the executive committee.

### Scioto Mutual Licensed

The Scioto Mutual Fire of Columbus has been licensed in Ohio. The secretary is Harry L. Fox. The same organization operates the United Mutual Casualty.

### Toledo Meeting Feb. 8

The Toledo Association of Insurance Agents will hold its annual meeting and banquet in connection with a district meeting of the Ohio Association of Insurance Agents in Toledo Feb. 8. Among the speakers will be John A. Lloyd, secretary of the Ohio association; Superintendent Bowen, Assistant Superintendent Raymond Rhoads and Warden L. U. Jeffries of the Ohio department, and Paul R. Gingham, counsel of the Ohio association.

### Llewellyn Marion, O., Chief

J. W. Llewellyn was elected president of the Marion County (O.) Association of Insurance Agents, succeeding A. C. Bachman. Other new officers are Vice-president, C. J. Watrous, and secretary-treasurer, J. F. Smith. New committee chairmen appointed are: Membership and admission, A. W. Kette; grievance, Mr. Bachman; legislative, Mr. Llewellyn.

### Roy Davis Rockford Speaker

Roy L. Davis, assistant state insurance director of Illinois, spoke Monday evening before the Rockford (Ill.) Life Underwriters Association. The organization called in the officials of the Rockford Board of Fire, Casualty & Surety Underwriters and the Rockford Insurance Club as well as some of the prominent company officials. At the close of his address Mr. Davis discussed the insurance code and answered a number of questions regarding it.

### Sixty-five at Slough Banquet

The banquet in Mansfield, O., commemorating the 40th anniversary of the Edward G. Slough agency was attended by about 65 company representatives and others. The agency was founded by Edward G. Slough, who died in 1932. The business is being carried on by the son, Herbert R. Slough. He has been manager of the agency since his father's death and at the banquet he was presented by the company people with a

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bill of sale, making him owner. The presentation was made by J. P. Hershberger of the Royal.

In addition to Ohio field men the guests included Roy E. Eblen, vice-president Phoenix of Hartford; John Rygel, of Chicago, secretary Hanover; John R. Cashel, western manager Providence Washington, and W. G. Shipe of Chicago, general agent New Hampshire Fire.

### Bar Tornado to Town Mutuals

MADISON, WIS.—Commissioner Mortensen has been advised that under a 1937 legislative enactment, town mutuals may no longer issue policies against loss by windstorm tornado or cyclone. Attorney General Loomis pointed out that the new law is prospective only and will not disturb existing policies of town mutuals, but hereafter they are limited to fire and lightning. Prior to enactment of the law last June such contracts were permissible.

The opinion says that "the present statutory authority under which town mutuals are permitted to be organized specifically states the purpose to be 'for mutual protection against loss by fire and lightning.' It is, of course, a well recognized rule of statutory construction that when the legislature has enumerated the powers granted by a particular statute, such enumeration results in an implied exclusion of all other powers."

### Will Transfer Fire Marshal

MADISON, WIS.—Semi-official announcement has been made that under the new law granting the governor sweeping powers to shift functions and personnel for greater efficiency and economy in state government, the fire marshal's bureau will be shifted from the insurance department to the industrial commission. This move has been reported in contemplation for some time and is now said to be definitely decided upon.

The industrial commission now has a bureau that inspects buildings for fire safety and sanitation and it is expected the fire marshal's department will be combined with this bureau.

### Woman Heads Mutual Group

INDIANAPOLIS — Mrs. Glenna Wray Watkins, secretary of the Mutual Insurance Company's Union of Indiana, has been elected president of the Mutual Insurance Association of Indianapolis, composed of senior and junior executives of mutual companies here. She is the first woman ever elected to the office. Miss Mary Feider, Grain Dealers National Mutual, was elected vice-president, and Mrs. Marie L. Huffman, secretary National Association of Mutual Insurance Companies, reelected secretary-treasurer.

Other members of the executive committee are R. C. Gerstner, Mutual Fire of Indianapolis; H. E. Wells, Grain Dealers National, and R. N. Hiatt, Indiana Lumbermen's Mutual.

### Discuss Merit Rating Plan

WICHITA, KAN.—The Wichita Insurers held an open forum meeting on the proposed automobile merit rating plan, led by Frank T. Priest, Howard Fullington, Fred Reed, Byron Chapell and Dwight Smith. W. C. Cohen, formerly with Van Arsdale & Larkin, who opened his own office Jan. 1, was admitted to membership.

### New Badger Mutual Secretary

George H. Moeller has been appointed secretary of the Badger Mutual Fire of Milwaukee. For seven years he has been in charge of the Minnesota field for the Badger and last year was transferred to Wisconsin. This advancement is in line with the company's policy of promoting its own men to more important positions. G. H. Kamper, executive vice-president and general manager, has been with the company for 11 years,

starting as Wisconsin state agent and later being made assistant secretary.

Howard Pracht has been made Minnesota state agent to succeed Mr. Moeller. He was formerly chief rater of the Minnesota Rating Bureau.

### Reduce Burlington School Rates

BURLINGTON, WIS.—Rates on public school properties are to be reduced approximately 50 percent, James Mangold, local agent here, informed the school board. The old rate on buildings, .2450, has been reduced to .102 cents per hundred; on contents .481 to .231. The rating is the result of co-operation given the school board on fire insurance problems by local agents to eliminate hazards and otherwise bring the cost to the lowest possible level.

### Women Plan Joint Meeting

MINNEAPOLIS — The largest gathering of women insurance workers ever held in the northwest will mark the joint dinner meeting Jan. 28 of the Minneapolis Insurance Women's Club and the St. Paul Association of Insurance Women.

The guest of honor and speaker will be Charles F. Liscomb, president National Association of Insurance Agents. Members of the executive committee of the Minnesota association also will be invited. Fern Harrington, president of the St. Paul association, and Hulda Anderson of the Minneapolis club are co-chairmen on arrangements.

### Milwaukee Board Meets

MILWAUKEE—At the Milwaukee Board's January dinner meeting F. W. Koepnick, special agent of the marine department of the North America, discussed inland marine underwriting. President Val Gottschalk conducted an open forum following the talk. A report was also made of the resolution recently adopted by a special committee of the fire board protesting the safe driver reward plan for automobile public liability and property damage insurance on private passenger cars as adopted by the National Bureau of Casualty & Surety Underwriters. The postponed annual meeting of the Milwaukee Fire Insurance Patrol was also held the same evening.

### Hart Host to Newton Board

At the Newton (Kan.) Insurance Board's monthly meeting, President Charles Hart was host. The annual election will be held in March at a dinner meeting.

### Burgess Reelected President

JOPLIN, MO.—Officers of the Insurance Agents Association, all of whom were reelected, are: A. C. Burgess, president; V. L. Young, vice-president, and V. T. Owen, secretary-treasurer.

### Racine County Agents Elect

RACINE, WIS.—Thirty-five members of the Racine County Insurance Underwriters Association attended the annual meeting here. Officers chosen were Grover Miller, Miller Bros. Agency, Racine, elected president; Russell Cooney, Burlington, reelected vice-president, and Henry Schulz, Wagoner Agency, Racine, secretary-treasurer, succeeding George Murphy. Directors are Sherman Blandin, Ray Eggert, Matt Keefe, Dewey Liegler and John Rowland. A vote of confidence and appreciation was given President Miller and other officers, especially for the successful fight to retain public business of the city and county. Harold Watkins, assistant manager Travelers, Milwaukee, was the speaker. The proposed safe driver reward plan proposed by the National Bureau was discussed.

M. M. Gikerson, for some years with the R. A. Haines agency, Augusta, Kan., has taken over the interest of I. J. Quinn in the Quinn-Smith Agency, El Dorado, Kan.

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## IN THE SOUTHERN STATES

### Texas Casualty Meet Jan. 24

**Plans All Complete for Education Session in Dallas — William Leslie to Talk**

The program has been completed for the first annual casualty and surety educational meeting of the Texas Association of Insurance Agents to be held in Dallas on Jan. 24:

#### Morning—9:30

Announcements by Josh R. Morriss, president, Texarkana.

Automobile casualty lines, A. A. Reagan, Jr., Texas casualty insurance commission; Francis F. Ludolph, San Antonio, on the I. C. C. plan; Arthur Griff, Galveston, on the agents part in safety promotion.

Blanket fidelity bonds, W. R. Harvey, Jr., National Surety, Dallas; Guy Saunders, Amarillo, and R. H. McLarry, Dallas.

#### Afternoon—1:30

Miscellaneous casualty lines, S. H. Riley, Massachusetts Bonding, Dallas; Max Highfill, Fort Worth, on burglary; A. H. Beven, Houston, on O. L. & T. liability.

Workmen's compensation, William Leslie, general manager National Bureau; Cruger Smith, Dallas; Melvin Miller, Fort Worth, followed by questions and answers.

### Seeks a Larger Appropriation

**Insurance Commissioner Marvin Hall Wants More Money to Use in His Department in Texas**

Insurance Commissioner Marvin Hall of Texas, in the fire insurance division, states that 119 cities were surveyed and rated last year. He urges the legislature to make a larger appropriation in order that the inspection force can be enlarged and the most efficient employees can be obtained. The taxes on premiums produce a goodly amount and in his opinion too small a proportion is allotted to his office.

There are 868 insurance carriers of all kinds operating in Texas, of which 373 are chartered in Texas and 495 in other states. There are only six stock fire companies and there are 33 stock life companies. There are 17 stock casualty and surety. The 33 Texas legal reserve stock life companies and the 14 legal reserve mutuals have insurance in force \$1,231,723,919. The outside companies have in force \$1,537,946,740.

### Georgia Mutual Agents Rally

**Annual Convention of the State Association Was Held at Macon with President Chandler in Charge**

The Georgia Association of Mutual Insurance Agents held its annual meeting in Macon Friday. Mayor C. L. Bowden of Macon gave the welcome. L. S. Trimble, manager of the Macon chamber of commerce, gave a talk. Among the mutual agents who were on the program were J. A. Avary, West Point, Ga., and Lawrence Murray, Columbus, Ga. S. C. Roper of Atlanta, manager southeastern department Central Manufacturers Mutual, and G. R. McKiever, special representative Mill Owners Mutual, Des Moines, gave talks.

Sam S. Chandler of Macon, president of the organization, presided over the meeting. Charles Parrott of Athens is vice-president and J. M. Carson of Dalton, secretary and treasurer. Officers were reelected.

H. E. Hall, 50, local agent of Charlottesville, Va., died there from a paralytic stroke.

### Seek Tax on Open Accounts

**Kentucky Revenue Department Takes Action—May Go Back 10 Years—Many Complications**

LOUISVILLE—Litigation will probably result from the action of the state revenue department in bringing suits against a number of Covington, Ky., agents for unpaid taxes of 50 cents per \$100 of open accounts on their books as of July 1, going back a period of 10 years, with added penalty of 100 percent, plus 6 percent interest compounded.

Questions arise to whether agents should report total premiums outstanding or only their commissions in view of the fact that they are acting as agents for the companies they represent.

The major portion of the outstanding balances against customers represent balances owed the companies, although in some cases the companies have been paid and the agent is carrying the balance for his customer. Since the companies pay the state 2 percent of their premiums it would look as if this money due the companies would not be taxable.

#### Some Have Been Paying

A number of agents have advised that they have been paying this tax right along. Many others apparently knew nothing about it. Just recently the state came back on the stockbrokers for payments on stocks held for customers, and showing balances on their books as of July 1, the brokers having paid on money advanced by customers, but not on money loaned customers to buy stocks or bonds, over and beyond the margin put up by the customer.

The revenue department contends that such balances of brokers, insurance agents, etc., are taxable just as the accounts receivable of any merchant handling mercantile lines. As a considerable percentage of outstanding accounts are uncollectable they will probably have to be charged off to escape taxation, and again re-entered if they should be paid.

#### Compromise Possible

First demands were made on the Covington, Ky., agents, in what appears to be a test case to determine just what the state will do. Agents appeared at a hearing in Frankfort, Ky., to discuss the matter with Chairman Martin of the state revenue department and others. Agents all over the state are worried over the outcome of the matter. Indications are that some sort of compromise will be worked out, or at least a definite program, separating the agents commission from the part of the premium due the companies.

Many small agents are out of business and other agencies have been transferred. Likewise many books and records are probably missing from agencies which failed to keep past records.

### Ginners Mutual Also Objects to Cooperative Promotion

Further comment on the activities of the Farmers Cooperative Insurance Co., which is being actively promoted in Texas to write cotton gins, has been made by Dabney White, secretary of the Ginners Mutual Underwriters of Tyler, Tex. The promoters approached Mr. White with a high pressure offer that he transfer his company to them and remain as manager. Mr. White declined. Last week Cravens, Dargan & Co., issued a statement condemning the cooperatives' activities.

The state of Texas fixes the rate for gin business. Mr. White condemns the rate cutters while the Ginners Mutual charges the state-fixed rate and returns a 25 percent dividend at the end of the year after all losses are paid. The rate

cutters "have taken a considerable line of business from me and from other companies that I know of, and I am absolutely helpless in counteracting this tendency," said Mr. White. "I do not believe from my records of fires that these promoters are going to make any substantial saving or showing for the year 1937, however they are going to be very demoralizing to the entire insurance field, for I find from observation that wherever a cooperative gin is promoted it results in the financial destruction of at least 10 gins surrounding it. In fact, I have reached the conclusion that wherever a cooperative gin is being promoted I withdraw from that immediate section, as the independent ginners cannot operate in competition with the cooperatives with the credit given them by the government and other favors extended to them."

### Boney Issues Regulations on North Carolina Licensing

Regulations and definitions effective April 1 relating to agents' licenses were issued by the North Carolina insurance department. Special agents' licenses may be issued to residents or nonresidents of North Carolina who will be considered contact representatives of their companies' home offices and shall not be authorized to solicit any type of insurance coverage. However, they will be permitted to assist general or local agents in soliciting risks when accompanied by a general or local agent. It follows, Commissioner Boney stated, that such agents shall be salaried employees and no part of their compensation shall be by way of commission.

#### Restriction Is Noted

This type of license will be issued only to representatives of fire and casualty companies. No special agent will be licensed to represent a company confining its writings to life insurance, al-

though a life company with a casualty division may appoint special agents to represent such division.

General agents' licenses can be issued only to bona fide residents of the state. The holder will be considered as having authority to appoint local agents and to solicit insurance. District managers and/or superintendents having authority to name or appoint soliciting agents shall be deemed general agents for licensing purposes, Mr. Boney stated.

Local agents' licenses, permitting general soliciting under North Carolina statutes, can be issued only to bona fide residents of the state. An organizer's license may be issued to residents or nonresidents of the state. This type of license permits the holder to solicit insurance. It will be issued only to representatives of fraternal organizations.

"You will note," Mr. Boney said, "that this department considers district managers and superintendents as general agents, as defined above. Life companies which have heretofore obtained special agents' licenses for district managers and superintendents will hereafter be required to obtain general agents' licenses for such representatives." He requires that applications for licenses be filed in accordance with the new regulations.

### Powell Makes Change

Douglas Powell, Waco, Tex., has resigned as special agent of Sloan & Co., San Antonio. He has been appointed special agent for central Texas for Trezevant & Cochran of Dallas.

### Development Meet at Columbia

COLUMBIA, S. C.—Sponsored by the South Carolina Field Men's Club, F. S. Dauwalter of the Business Development Office spoke here before a group of nearly 200 agents and field men. It was the largest such meeting held in this section. Others who spoke were: McAlister Carson, Charlotte, president

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Southern Agents Conference; H. C. Arnall, Newnan, Ga., chairman of the rural agents committee; J. Boone Aiken, local agent of Florence, S. C.; H. C. Porter, Columbia; S. F. Cannon, Spartanburg, and Scott Nixon of Augusta, Ga.

### Celebrate 25 Year Partnership

J. D. Seiders and Miss Carrie Hoke, who completed a 25 year partnership in the Seiders & Hoke agency of Taylor, Tex., were presented with sterling silver pitchers by Fred A. Crawford of San Antonio, special agent Great American, and an electric clock by C. W. Spradly, San Antonio, special agent America Fore. The agency has represented the American Alliance and Continental for more than 25 years.

### Louisiana Committee Meets

The conference committee of the Louisiana Insurance Society held a meeting in New Orleans to review a number of important matters coming before the organization. The committee consists of J. R. Querbes of Shreveport, R. C. Bolton, Alexandria, J. C. Meyers and John X. Wegmann, New Orleans, and Terrell Woosley, Lake Charles.

### Farewell Messages in Oklahoma

John D. Saint in a bulletin to members of the Oklahoma Association of Insurers gives a farewell message as manager. He is leaving Oklahoma to become manager of the Tennessee agents association.

Attached is a communication from the Oklahoma Insurers executive committee, stating that there is no unpleasantness between Mr. Saint and the association.

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The change, according to the executive committee, does not represent any weakness within the organization nor "any triumph of any forces which have done everything to oppose orderly and ethical insurance practices."

The managerial plan will be continued in Oklahoma, the executive committee states, and the appointment of a successor to Mr. Saint will be made carefully.

The executive committee has reaffirmed its plans for membership development, exchange organization, "in or out" rule enforcement, uniform practices and non-discriminatory conduct.

The executive committee states that nominations of a successor or applications from candidates for the position should be sent to Harry P. Frantz, vice-president of the association, Bass building, Enid, Okla.

### Laboratories Film in New Orleans

NEW ORLEANS—The Underwriters' Laboratories exhibited the film, "Approved by the Underwriters," here to insurance men. W. S. Bizzell, manager of the Louisiana Rating & Fire Prevention Bureau, was in charge.

### Not to Push Code

NEW ORLEANS — President Thomas C. Grace of the Louisiana Insurance Society announces that he will not attempt the passage of a new insurance code at the coming session of the state legislature in May. Louisiana insurance men have been invited to submit legislative suggestions.

### Give Educational Program

The educational motif was stressed at the meeting of the Insurance Women's Club of Oklahoma City by the program presented by Esther Goynes of the Branch Insurance Agency. Miss Goynes had compiled a question for each member on policy rates and coverage, which the latter was called upon to answer.

### Premium Finance Company Sold

The Insurance Finance Company of Little Rock, which was organized some time ago by a number of Arkansas general agents, has been sold to the premium finance department of the Union National Bank, it being consolidated with the banking house. The owners of the Insurance Finance Company discon-

tinued premium financing, desiring to cooperate more fully with the Arkansas Association of Insurance Agents.

### Wheeler Pledges B. D. Support

BIRMINGHAM, ALA.—The Underwriters Laboratories film was shown at a meeting of local and special agents in Birmingham, sponsored by the Birmingham local board.

President W. R. Mizell of the Birmingham Board introduced Lloyd Wheeler, secretary-manager of the Southeastern Underwriters Association, who pledged full cooperation in the Business Development drive now under way in the state.

### To Meet in Alexandria

NEW ORLEANS—The 1938 annual meeting of the Louisiana Insurance Society will be held in Alexandria in April, the exact date not having as yet been selected by the executive committee.

### Wise New Orleans Head

NEW ORLEANS—Leonard M. Wise was elected president of the New Orleans Insurance Exchange at the annual meeting. Other officers are: Vice-president, W. Loring Ferguson; secretary, Linden F. Braud; and treasurer, Auguste Coiron.

New executive committeemen are G. E. Gillis, Jr., retiring President Lawrence A. Stone, Past-President John X. Wegmann and F. D. Reilly. Other executive committeemen are A. Dietlein, Jr., and A. M. Savage. Mr. Ferguson as vice-president, is chairman.

### Tonne in Adjustment Work

O. G. Tonne, formerly automobile special agent for the Northwestern National Fire in Iowa and Nebraska with headquarters in Omaha, has joined the Fire Companies Adjustment Bureau in Dallas.

### McKenzie with National Board

Jack G. McKenzie, an attorney who has been connected with the Oklahoma state fire marshal's office, has joined the National Board arson division as special agent in Arkansas with headquarters in Little Rock. He succeeds J. I. Teague, who is entering the private practice of law in Little Rock.

## PACIFIC COAST AND MOUNTAIN

### To Hold California Classes

**Start in San Francisco Jan. 24 Followed by Sessions in Oakland, Fresno and Los Angeles**

SAN FRANCISCO—Considerable interest is being displayed by insurance buyers as well as agents and brokers in insurance classes which open in San Francisco Jan. 24 and which are to be held at Oakland starting Jan. 25; Fresno, Jan. 26, and Los Angeles, Jan. 27.

The course is designed to present a practical discussion of the current insurance laws of California; current provisions, terms and conditions of the insurance transacted by agents, brokers and solicitors under the state license; and the current practice and procedure in negotiating general insurance policies. While the course is planned to assist those who are preparing for the examination for the state license, it will be of sufficient scope to be valuable to those engaged or interested in insurance of any kind, according to Robert L. Patterson, who is to serve as instructor.

Mr. Patterson has been identified with insurance in California since 1907 when he conducted a local agency at Berkeley. In 1919, he served as special agent for the Aetna Life affiliated companies and later, for 12 years was a local agent at Taft and Bakersfield. He is a former regional vice-president of the California Association of Insurance Agents and

was a member of the legislative committee of the National association.

The course was originated by the California Association of Insurance Agents in conjunction with the extension division of the University of California. An enrollment fee of \$14 is being charged plus a registration fee of \$1. The classes are to run for 20 weeks with two sessions one evening a week. A correspondence course is also provided for those who find it impossible to attend the regular sessions.

### Perk Is Renamed President by Los Angeles Exchange

LOS ANGELES—H. Perk, Jr. of Perk Brothers was reelected president of the Los Angeles Insurance Exchange at its annual meeting. H. W. McGee of Wren & Van Alen was reelected vice-president and the following governing committee was named: N. E. Branch, Aronson-Gale Agency; Gordon Campbell, Bonner-Campbell; H. E. Charlton, Seyler-Day Co.; J. S. Dwight; W. B. Glassick, Howkins & Glassick; B. J. Lynch, Rule & Sons; Raymond Nettleship, Nettleship Company; Ray Rosendahl, Miller & Kuhrts, and S. E. Walsh.

President Perk reported on the exchange's activities and told of plans for the coming year.

Donald B. Goldsmith, president of the California Association of Insurance

Agents, was the principal speaker, discussing the many problems confronting the American agency system. The "guiding principles" code is being widely and readily accepted by the companies, he said.

Mr. Goldsmith told of the development of the educational program being sponsored by the California association through the University of California.

The Los Angeles Insurance Exchange in closing its 35th year has 313 agents and 242 broker members, a total of 555.

### Adjustment Bureau Makes Changes in the Staff

W. R. O'Brien, branch manager at Corpus Christi, Tex., has been named resident adjuster in charge of the Riverside, Cal., office of the Fire Companies Adjustment Bureau. He was connected with the southwestern department since 1929 as adjuster of all types of losses, and before serving at Corpus Christi was associate adjuster at the Amarillo, Tex., office. In his new capacity he succeeds J. C. Duffy, who is being transferred to the automobile, casualty and special risk department in the Los Angeles office.

Service of Riverside territory will be augmented by transfer of T. W. Fulton, automobile, casualty and special risk adjuster Los Angeles office, to San Bernardino as resident reporting adjuster. Mr. Fulton will be associated with Mr. O'Brien at the Riverside office.

### Cairns to Head Junior C. of C.

James Cairns, special agent of the Hartford in Los Angeles, who is a son of E. T. Cairns of the Fireman's Fund, has been nominated, unopposed, for the presidency of the Los Angeles Junior chamber of commerce. Mr. Cairns has been very active in junior chamber affairs in that city and has served as chairman of the fire prevention week and other programs of the Los Angeles organization.

### Insurance Library Moves

The library of the Fire Underwriters Association of the Pacific is now in more spacious and convenient quarters in 818 Merchants Exchange building, San Francisco. There is a separate study room where current periodicals and services will be available.

### Mesher on the Wing

Irwin Mesher, executive secretary Insurance Agents League of Washington, visited San Francisco last week, following which he left for Portland to attend a joint meeting of the Washington and Oregon divisions of the Special Agents Association of the Pacific Northwest, en route, to his Seattle headquarters.

### Women's League Initiates

SAN FRANCISCO—Ten new members were initiated into the San Francisco Insurance Women's League Jan. 17. Following the initiation a colored motion picture and a snow feature film were shown.

A survey is being made by Miss Gene E. Therault, chairman of the educational committee, to determine preference of the members in the subjects they wish to study and have discussed before the league this year.

### New Hampshire in New Mexico

The New Hampshire Fire has entered New Mexico and its activities in that state will be handled by State Agent Firestone of Denver, who is in charge of the Rocky Mountain territory.

### Colorado Directors to Meet

DENVER—The directors of the Colorado Association of Insurance Agents will hold a meeting in Colorado Springs some time in February. The exact date has not been fixed.

"The chief topic to be taken up at this meeting," said Frank England, Jr., secretary, "is the new automobile rating



plan. Personally, I do not approve the plan, and it is my opinion the association will vote against it. A letter from the Colorado Springs Association of Insurance Agents has just reached me in which is stated that the organization is not in favor of the plan."

### Denver Agents Elect

DENVER—The Denver Association of Insurance Agents at its annual meeting elected these officers: Dell Van Gilder, president; Paul Spahr, vice-president; H. P. Wolfe, Van Gilder Agency, secretary-treasurer.

### Hold Examinations April 4

Fire and inland marine examinations conducted by the Insurance Institute of America under the sponsorship of the Fire Underwriters Association of the Pacific will be held in San Francisco April 4.

### Big Oregon Apple Loss

HOOD RIVER, ORE.—The Apple Growers Association suffered a \$180,000 fire loss on building and equipment and \$60,000 on stock. Adjustment of the loss is being handled by Manager W. J.

Moe and Staff Adjuster H. J. Vold of the Fire Companies Adjustment Bureau, Portland.

### Renew Butte School Cover

BUTTE, MONT.—Trustees of School District No. 1 renewed the insurance on school properties amounting to \$250,000, apportioned among the leading agencies.

### Death of Fred E. Dudley

LOS ANGELES—Fred E. Dudley, correspondent for THE NATIONAL UNDERWRITER, died at his home in Glendale, Saturday. He was long connected with the home office of the Great Republic Life and was an active newspaper man.

### COAST NOTES

The city of Kelso, Wash., has levied an occupational tax of \$10 a year on insurance agents.

Robert LaBow of the LaBow-Hayes agency, Seattle, was married to Miss Thelma Smith. Mr. LaBow is a son of the senior member of the firm.

W. M. Dodd has purchased the insurance business of the late F. T. Greer, Portland, Ore., who died in December. Offices have been opened in the Porter building.

## Chief Speaker



JOHN C. BLACKALL

John C. Blackall, insurance commissioner of Connecticut, will be the principal speaker at the annual banquet of the Insurance Society of Philadelphia to be held at the Penn Athletic Club, Feb. 21. He is recognized as a forceful speaker. He has accepted an invitation from J. A. Diemand, executive vice-president of the Indemnity of North America, to address the large Philadelphia gathering. His topic will be "Two Years With Commissioners' Problems."

Rev. Philip J. Steinmetz, rector of St. Paul's Episcopal Church, Elkins Park, Pa., a lecturer, will be the other speaker. J. Victor Herd, vice-president and secretary of the Fire Association, will preside as toastmaster.

General Chairman E. E. Lindner appointed the following to handle the different branches of the work: G. T. Rowland, tickets; J. R. Knowlan, seating; W. W. Humphries, dinner; H. W. Newnam, Jr., reception; N. B. Meade, entertainment; G. W. Ruhl, printing and Rowland Dearden, publicity.

Other members of the committee are: J. G. Bauernschmidt, H. F. Brager, P. G. Buck, H. A. Carl, J. C. Fannin, Jacob Haslein, 3rd, C. W. Stockwell, Robert Sharp, G. B. Mattson and L. J. Kailer.

new officers were installed: President, R. C. Keller; vice-presidents, G. A. Putnam, Margaret S. Blodgett and F. B. Edgerly; secretary-treasurer, R. S. Perkins; executive committee, D. S. Lamoreux and T. N. Lapointe.

### Plan Rhode Island Rate Survey

PROVIDENCE, R. I.—As a result of orders from Governor Quinn, M. J. Cummings, chief of the division of banking and insurance, has conferred with Ralph Sweetland, secretary of the New England Insurance Exchange, and Edward Devine, secretary of the Insurance Association of Providence, relative to a survey of fire insurance rates in the state. They reported a willingness to make a survey of the present rate structure for the purpose of effecting savings to fire insurance policyholders.

### Finance Companies Merged

BOSTON—The New England Insurance Finance Corporation of Boston has been purchased by the General Securities Corporation, with offices in Boston and Worcester.

### Liscomb on Pittsburgh Program

PITTSBURGH—C. F. Liscomb of Duluth, president National Association of Insurance Agents, will be one of the speakers at the banquet in connection with the Pittsburgh Insurance Day observance Feb. 14, sponsored by the Insurance Club of Pittsburgh.

Dr. Solomon B. Freehof, rabbi of Rodef Shalom Temple, will speak at the

luncheon, in charge of the Fire Insurance Agents Association of Pittsburgh. A. R. Menard, assistant director of the Business Development Office, will speak at the fire insurance round table, conducted by the Smoke & Cinder Club of Western Pennsylvania.

### Doty Heads Torrington Body

R. E. Doty has been elected president of the Torrington, Conn., Association of Insurance Agents. E. W. Madeux is vice-president and W. B. Jennings is secretary.

### Gale New Bridgeport President

J. E. Gale has been elected president of the Bridgeport, Conn., Association of Insurance Agents.

### Name Boston Conference

BOSTON—The executive committee of the Boston Board has recently appointed the following committee to confer with a subcommittee of the proposed New England Fire Insurance Rating Association in future negotiations on the matter of amalgamation of the New England, Boston and Providence Boards in one rating bureau: Frank A. DeWick, chairman; H. G. Fairfield, J. H. Carney, J. H. Eddy, R. A. Benting and Gerould Henderson.

### Women's League Liability Forum

MANCHESTER, N. H.—The Hillsborough county division of the New Hampshire Insurance Women's League held an open forum on liability insurance here, with an attendance of some 75 women. President Helen T. Meehan shared presiding honors with County Director Ruth Moffat. Assistant Manager F. Ray Montgomery of the Travelers Manchester office discussed the general subject of the meeting and answered questions on the New Hampshire financial responsibility law.

### G. W. Buck in Agency Post

Lt. Governor William H. Willis, insurance agent of Bennington, Vt., has taken as an active partner into his incorporated agency George W. Buck, who is from Burlington, Vt., and is a graduate of Dartmouth. He has been with the Aetna Casualty since graduation and goes to Bennington from the Providence office where he has been manager of the bond department. Mr. Willis started his agency, now one of the largest in northern New England, in 1915. His brother, an active partner, died last December.

### Los Angeles School Board Move

The Marsh & McLennan-J. B. H. Davis & Sons agency has been given five days by the Los Angeles board of education to procure approval from the Pacific Board of its bid for the Los Angeles school board line. At the same time the Los Angeles Insurance Exchange was given five additional days to study the Marsh & McLennan proposal and to offer a counter proposal.

The Marsh & McLennan bid was submitted after the General of Seattle canceled the share of the line it had been awarded at a rate 35 percent off manual. The General of Seattle was given more than half the line. The rest went to the Central Manufacturers Mutual of Ohio.

The report is that the Marsh & McLennan plan contemplates a valuation of \$45,000,000 and insurance on a 100 percent basis under a blanket policy at an annual premium of \$54,000 for a five-year period. Existing coverage is on a 70 percent basis with a valuation of \$50,000,000.

Fred P. Wetzel, Baltimore, has opened a new insurance office under the name of Wetzel & Co.

## EASTERN STATES ACTIVITIES

### Won't Hurt Legitimate Agent

R. H. Alexander Tells Smoke & Cinder Club of Pittsburgh Agents Association's Program

PITTSBURGH, PA.—The program of the recently reorganized Fire Insurance Agents Association of Pittsburgh is not intended to hurt either the legitimate agent or the company, Ralph H. Alexander, its manager, told the Smoke & Cinder Club of Western Pennsylvania.

"Any time any legitimate agent in Pittsburgh can show us where our program will hurt him, we will change our program," Mr. Alexander asserted. "We are just as sincere in making the same promise to companies."

"If you eliminate the production man, the next logical political step is to eliminate profit that goes to the owner or stockholder, and then you approach a system that is just as much to be abhorred by the company as by the agent," he pointed out in asserting that the American agency system is in the mutual interest of both company men and agents.

H. P. Lichtenthaler, Freehold Real Estate Company, president of the agents association, traced the studies made of association functions before the present program of the association was launched. He reported that membership is now 65, with 15 applications pending.

John J. Nolan, Firemen's of Newark, was admitted to membership in the Smoke & Cinder Club. Warren Feller, North British & Mercantile, was elected to fill a vacancy on the membership committee.

The following committee was appointed to aid with the fire insurance round table at the Insurance Day program Feb. 14: W. T. Bode, Boston; Walter Bell, Continental; S. R. Dickson, American; E. P. Purkey, New York Underwriters; Arthur Hymel, Royal; John Winman, Home, and Roy Stephens, Firemen's.

### Maryland Local Agents in Semi-Annual Convention

The Maryland Association of Insurance Agents has rounded out its program for the regional meeting Thursday of this week at the Mecklenberg Riding & Hunt Club at Easton, Md. C. W. Johnson of the North America will speak on "Fire Insurance and Allied Lines." A. B. Nickerson, manager au-

tomobile department Maryland Casualty, will talk on automobile insurance and the new merit rating plan. A. R. Menard, assistant director of the Business Development Office, is on the program. A. W. Hall of Salisbury is the Maryland president.

### McClellan Heads Troy Body

J. S. McClellan was elected president of the Troy (N. Y.) Underwriters Association at the annual meeting. J. A. Van Wie is vice-president, C. H. Butt, secretary, and W. C. Chase, treasurer.

### Break Up Arson Ring

BOSTON—A ring of professional firebugs held responsible for some score of fires, causing damages of several hundred thousand dollars the past year, is believed by the state fire marshal's office to have been broken up by the arrest of three men, with indictments asked for four other men and a woman. The alleged operations of the firebugs were in the north end of Boston, Chelsea, Reading, Everett and Revere. Investigators of the National Board cooperated with the fire marshal's office in the case.

### Pittsburgh Agents' Headquarters

PITTSBURGH—The permanent headquarters of the Fire Insurance Agents Association of Pittsburgh are at 309 Fourth avenue. Ralph H. Alexander, formerly of the Hoover & Diggs agency, is in charge as full time manager. Miss Bessie M. Snyder is the executive secretary. She was employed before Mr. Alexander was appointed. New furniture has been installed in headquarters office.

### Discuss N. H. Responsibility Law

MANCHESTER, N. H.—The annual dinner of the Manchester Fire & Casualty Underwriters Association was enlivened by a discussion of the problems of the revised New Hampshire automobile financial responsibility law by Commissioner Rouillard and J. F. Griffin, motor vehicle commissioner. They agreed that if the supreme court, in the case now before it, rules the law unconstitutional, steps will be taken by the legislature to create a new form of financial responsibility law which would pass muster. Commissioner Rouillard said differential in rates between automobiles of different weight classifications would be reduced in the near future. He indicated a study had disclosed the loss cost on a low priced car was as high as in the case of heavier cars. President A. F. Bisson presided until the following

## MOTOR

### Rate Makers in Chicago Parley

Members of the Staff Committee of the National Automobile Underwriters Association who have been in Chicago for several days, reviewing the experience of member companies for the past year, will conclude their task this week. Those attending the gathering, in addition to Manager J. Ross Moore are: Stewart Davey, assistant manager; W. D. Hall, actuary; Fred Herring, eastern branch secretary; E. L. Rickards, western branch secretary; C. Patterson, southern branch secretary; A. Hodgkinson, Pacific Coast branch secretary and Fred Williams, secretary Rocky Mountain branch.

### K. C. Theft Record Improved

KANSAS CITY.—The report of O. E. Johnson, in charge of the auto theft bureau of the police department here, shows that in 1937 automobile thefts were reduced 61.37 percent. Percentage of recoveries in 1937 was 97.1 percent, compared with 92 percent in 1936.

On the basis of this report, Citizens Anti-Auto Theft Association will ask a reduction in auto theft rates.

## CANADIAN NEWS

### Canadian Fire Losses Show Slight Decrease for 1937

TORONTO.—The Canadian fire loss total for 1937 stands at \$26,186,000, a reduction of about \$500,000 from 1936. The 1937 figure was \$1,200,000 above that for 1935, but was well under the average for the past ten years.

As in the previous year there were no exceptionally large conflagrations, although, as in 1936, a number of business blocks in some of the smaller municipalities were badly damaged or destroyed. Large factory and mercantile fires were notably absent last year.

Four of the nine Canadian provinces, Alberta, Manitoba, Nova Scotia and Prince Edward Island, showed slight increases in fire losses. In the two large industrial provinces—Ontario and Quebec—there was a moderate decrease. Ontario recorded a decrease of about \$60,000 and Quebec's total was down approximately \$500,000.

Ontario had the heaviest loss, \$4,896,600, while Quebec was second with \$3,223,000.

### Rate Cut Not Yet Definite

TORONTO.—The reduction in fire insurance rates, forecast by Superintendent Finlayson of Canada, is not definitely predicted for Toronto by the Canadian Underwriters' Association. It was stated, however, that fire rates here, as elsewhere, are changed according to the experience of each particular locality.

"Where conditions are favorable, the rates are reduced," an official said. "We are constantly revising rates to meet changing conditions. As an example, the average rate in Toronto in 1910 was \$1.36 per \$100; in 1935 it was 70 cents. Now, it is about 60 cents."

The official pointed out that only a few months ago there was a general reduction of rates on merchandising business in downtown Toronto. In his report Mr. Finlayson said fire rates were too high, and that they would likely be lowered. Fire losses were lower, he said, and more premiums were paid in 1937.

### Trans-Canada Air Insurance

TORONTO.—Awarding insurance on machines and passengers of Trans-Canada Airways, involving commissions of about \$9,000 per annum, to a firm of New York brokers has aroused criticism from several Canadian firms who

are understood to have quoted the same terms. The airways company is government-sponsored and also associated with the Canadian railways.

### Hodge Vancouver Manager

VANCOUVER, B. C.—G. C. Hodge has been appointed manager of the Vancouver office of Johnson & Higgins of Canada. He was formerly with a board office in Vancouver in various capacities. He succeeds H. E. Fielder, who died last year.

## MARINE

### Expect Hearing of Wisconsin Case Late in February

The Wisconsin attorney general's office, attorneys for the Northwestern National Fire and attorneys for the Wisconsin Rating Bureau have agreed that a temporary injunction shall be issued restraining Mr. Mortensen from revoking the license of Northwestern National or from enforcing an order requiring Northwestern National to correct an inland marine policy covering the Layton Art Gallery of Milwaukee. This is an important action that goes to the heart of the inland marine rating situation in Wisconsin. Mr. Mortensen has undertaken to impose the fire insurance rate regulation law upon inland marine operations and the whole theory will be the subject of litigation.

Last Saturday there was to have been a hearing in the Dane county circuit court at Madison on a rule to show cause why a temporary injunction should not be issued. That hearing was postponed until Saturday of this week and the three parties have agreed that such an injunction shall issue.

The case will then come up for a hearing on its merits and this may be late in February.

The law firm of Ekern & Meyers of Chicago represents Northwestern National and Robert Reiser, Milwaukee attorney, is representing the Wisconsin Rating Bureau.

### C. A. Wilson with the General

The General of Seattle has appointed C. A. Wilson manager of its inland marine department in the eastern office at 116 John St., New York City. He has had many years of inland marine experience, being previously connected with one of the largest inland marine writing companies. He is an underwriter and production man, having been helpful in aiding agents with their inland marine problems over the entire eastern and mid-western sections. He succeeds H. K. Horan, who returns to his duties as manager of the inland marine department in the home office.

### Adequate Office System Is Essential in Local Agency

(CONTINUED FROM PAGE 31)

tematic analysis of office procedure, pointing out weaknesses of many agencies which he has noted through his experience in surveying the practices of agencies in all parts of the country. He said each agent would find it helpful to make a record of the exact duties of every member of his staff and to delegate to each some specific major step in office procedure. Frequently, he said, such analyses reveal weak links in the organization and duplication of effort.

### Possible Office Savings

Savings in the office, he pointed out, often amount to the equivalent of considerable new business and increase the possible margin of profit which, on the national average, he pointed out, is some 8 percent. He further advocated making the office staff "sales-conscious" so that each member's personal contacts and constructive suggestions may be

used to develop selling leads for the agency. More intensive use of the staff in developing new business from one-policy customers was also urged, it being pointed out that acquisition of sufficient information about any such customer generally opened the way for sale of more lines.

Importance of the agency's contacts with the public was also stressed and suggestions were offered for improving personal, telephone, and correspondence contacts. The problem of accounting, closely linked with collections, is one, he said, which merely requires adoption of the simplest possible method without neglect of any vital phase. The most important "must," he said, is that every balanced account be reconciled monthly.

### Policy as to Collections

As regards collections he said a consistent policy should be adopted, well-adapted to the agency's particular needs, and should be adhered to strictly. He advocated complete separation of selling and collection functions as the most efficient in conserving and extending business. If partial payments are permitted, he said, the initial payment should at least represent the short rate earned premium. He advocated centralizing all accounting and further recommended general centralization of all "mechanical" operations in the office as the most efficient and economical. He said that preparation of a monthly list of outstanding accounts for collection is a profitable practice. Experience has shown, he said, that 85 percent of collections under an efficient system can be made by the staff by telephoning and correspondence.

### Use of Window Envelopes

Among other suggestions offered were those regarding general adoption of window envelopes, making of invoices in sets, and the use of statement forms for small policyholders before actual preparation of a renewal policy.

Following Mr. Beling's talk it was suggested that valuable information for Michigan agents might be obtained by conducting a survey of agency costs and profits, by the questionnaire system, covering Michigan only. The national survey of some years ago, it was pointed out, might not reflect accurately conditions in a low rate state such as Michigan.

## Ohio Farmers Is Celebrating Its 90th Anniversary

(CONTINUED FROM PAGE 5)

Kirkpatrick of Muncie, Ind., "The Relation of Agent to Company," and Thomas M. McNutt, Jr., of Mattoon, Ill., on "Selling."

The Ohio Farmers Agents Association held a preliminary meeting in LeRoy, Jan. 13, 1932, with John H. Beecher, chairman, and W. A. Mizer, Coshocton, secretary. At that meeting W. B. Kridler of Fremont, the father of Paul Kridler of today, was made the first president and L. R. Seeley, Westerville, whose grandfather founded the Columbus agency, was chosen secretary and treasurer. The first executive committee consisted of Mr. Mizer, Charles Canfield of Chardon and S. B. LeSourd of Xenia. Mr. Canfield is the only survivor. W. H. Dial of Washington Court House was vice-president.

The first annual meeting was held in Columbus. William McKinley was present and gave an address, he being governor of the state.

### One Special Meeting Held

The only special meeting was held in Columbus in 1892 when on request President J. C. Johnson and Secretary O. S. Wells of the company attended. A motion was carried that agents agree to pay the company for every policy over three months old.

The regular annual meeting held thereafter in LeRoy started Jan. 9, 1894.

At that time it was voted to hold all such meetings in LeRoy the day preceding the second Wednesday of each January, which is the annual meeting of the company.

It is interesting to know that at the meeting in 1898 a committee was appointed to obtain material for a write up in the new "Ohio Underwriter," which is now THE NATIONAL UNDERWRITER and which was just one year old at the time. It had contained an advertisement of the Ohio Farmers in its first issue and is the oldest, continuous advertiser in the publication.

### Ivy Trophy Awarded

President Hayes presided at the banquet Tuesday evening.

At the Wednesday morning meeting Vice-president C. D. McVay of the company awarded the ivy trophy to the northeast section of Ohio as having made the best record during the year in profits. The state for this purpose is divided into four parts. R. D. Hout is special agent in charge of northeast Ohio. Three veteran agents who were present at the first meeting of the Ohio Farmers Agents Association attended this meeting, W. S. Pollock of Delaware, who has been licensed for 46 years and was a sub-agent ten years before, Charles Canfield of Chardon, 52 years; F. M. Beckett of McConnellsville, 53 years. P. K. Tadsen of Port Clinton, a company director, attended his 46th consecutive annual meeting.

### Kridler Heads Association

New officers of the Ohio Farmers Agents Association were elected: President, Paul W. Kridler, Fremont; vice-president, Francis Whitacre, Wooster; secretary-treasurer, F. E. Kirkpatrick, Columbus. This is Mr. Kirkpatrick's 26th year in office. The executive committee consists of P. K. Tadsen, Port Clinton; H. O. Noland, Washington Court House; Don Price, Paulding; F. W. Schumaker, Woodsfield, and J. E. Brooks, Steubenville. The resolutions committee is H. S. Boynton, Toledo; W. H. Rose, Jackson, and D. S. Albertson, Cuyahoga Falls.

Three charter members of the agents association were presented at the Tuesday afternoon meeting: H. W. Cary of Millersburg, F. M. Beckett of McConnellsville, and C. W. Canfield of Chardon. Paul Kridler, who was elected president, is a son of W. B. Kridler of Fremont, the first president, who was elected in 1892.

### Series of Lectures

A series of lectures for members is being sponsored by the Insurance Brokers Exchange of San Francisco covering various phases of the insurance business. The lectures will start Feb. 9 and will be held Wednesday evenings from 5:15 to 6:15 until March 30. There will be no charge to members. R. L. Ellis, assistant vice-president Fireman's Fund, is to be the first speaker on "Mutual and Cut Rate Competition and How to Meet It." M. C. Kennedy, superintendent Hartford, will speak in the Feb. 16 and Feb. 23 classes on "Automobile Liability and Fire and Theft." Al Welsh of the Travelers will speak on "Liability Claims" March 16 and March 23. The concluding lecture will be presented by H. B. Haas, administrative advisor to Commissioner Carpenter, "The Insurance Code as Applied to Brokers." G. A. Marks is chairman of the educational committee in charge of the series of lectures.

### E. J. Moran Takes London Post

NEW YORK—Edward J. Moran, formerly with the Fire Companies Adjustment Bureau here has been named supervisor of inland marine and automobile claims for the London Assurance group. He succeeds Paul Beuhning, who recently resigned to establish an adjustment and claims service. Mr. Moran served in several departments of the Travelers Fire and with the Aetna Life before joining the Fire Companies Adjustment Bureau last year.



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• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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**WOODWARD, DAWSON & HOBSON**  
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Oregon Mutual Life, Occidental Life, Bankers Life, Fireman's Fund, Home Insurance Co. (Marine), Pacific Indemnity (Surety), St. Paul Mercury Indemnity, Lincoln National Life Insurance Co.

### BYERS, WESTBERG & JAMES

318 Marion Bldg.  
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Specializing in defense trial work of insurance companies. References on request.  
Equipped to handle investigations, adjustments and settlements on all insurance claims.

### DAVIS AND GROFF

(William Hatch Davis, former member Vermont Bar)  
(Guy B. Groff, former member Maryland Bar)  
1333 Dexter Horton Building  
Seattle, Washington  
(1) John Hancock Life  
(2) Fidelity & Guaranty Fire Corporation.  
(Others on request)  
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

### GRINSTEAD, LAUBE & LAUGHLIN

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### N. A. PEARSON

403-04 Fourth & Pike Bldg.  
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### ROBERTS AND SKEEL

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E. L. Skeel Wm. Paul Uhlmann  
Tom W. Holmes Harry Henke, Jr.  
Frank Hunter W. E. Evenson  
Eyre H. Hollander Robert E. Grace  
Laurence Booth, Jr.  
SEATTLE

## WASHINGTON (Cont.)

### SCHWELLENBACH & GATES

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### H. EARL DAVIS

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Equipped to handle investigations and adjustments and all types of insurance trial work.

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### KRUGMEIER & WITMER

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Appleton, Wisconsin  
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### CROCKER & HIBBARD

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Reference: Western Adjustment and Inspection Bureau.

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### NASH & NASH

Savings Bank Building  
Manitowoc, Wisconsin  
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605 Security Building  
(213 West Wisconsin Ave.)  
Milwaukee, Wisconsin  
Western Ins. Companies of Fort Scott, Sun Indemnity, Central Surety & Ins. Corp., Employers Reinsurance Corp. Others on request.  
Equipped to investigate and adjust claims in Milwaukee and vicinity.



## Clear Focus on Public Needs Is Urged by Liscomb

(CONTINUED FROM PAGE 3)

tion, some sort of 'dealer relations board' will have been established in our business so that the men who have to sell the coverage will have an opportunity to be heard at its inception instead of after its completion."

Mr. Liscomb said the public wants and is entitled to full information as to coverage, rates and forms, and usually agents can give that and are guilty of negligence if they fail to do so. The public also, he said, is clamoring for simpler forms and broader coverage. Agents should stick to legitimate and practical public needs, and should have no concern with people who are looking for an "edge."

Mr. Liscomb paid tribute to the work

of his predecessor, W. Owen Wilson, in setting up a committee to work with credit men, who, he said, were vitally interested in insurance. They launched an 'insurance as a backstop to credit' campaign which the National association is fostering. Referring to the personal property floater, which has been a matter of controversy in Detroit of late, he said:

"Some of you, I know, are opposed to it, feeling that it displaces coverages that have been standardized. Here we have a question that the individual agent must gauge from the pulse of his immediate business world as he finds it."

President A. I. Dreifus, Woodward agency, presided.

## Judgment Is Won Against City on Riot Subrogation

(CONTINUED FROM PAGE 3)

insurance companies was adequate, and the notice did not have to be filed by the street car company itself.

Questions submitted to the jury brought findings that the injuries involved were (a) "occasioned, aided, sanctioned or permitted by the acts of the employees" of the street car company and (b) were "caused by negligence on the part of the employees" of said company.

The supreme court said: "It is to be observed that the statute by its terms imposes absolute liability upon the city unless the exempting conditions are present. That the city police made reasonable efforts to prevent injury, and that the police on the spot did all they could towards controlling the mob and protecting property, is immaterial. The city must not only endeavor to prevent injury but it must prevent it. Such is the plain import of the language of the statute. The courts in construing like statutes that have passed upon the point uniformly so hold." Cases are cited from Montana, New York, Pennsylvania, Illinois and Maine.

### Judgment for Companies

Most of the opinion was devoted to analyzing the city's contention that the street car company had taken itself out from under the statute by its negligence and failure to use reasonable diligence to prevent riots. Briefly the allegations against the street car company are that it had attempted to move cars, and that unknown persons had clubbed the mob. After extensive discussion of the evidence the Wisconsin supreme court decided unanimously that judgment be entered "in accordance with the prayer of the complaint," that is, judgment was given for the insurance companies for the amount of their claim.

Plaintiffs were the Northern Assurance, Hanover, Alliance, St. Paul, Commercial Union, and Home.

Pending a supreme court determination of the Milwaukee case, trial of a similar action brought by the same plaintiffs against the city of West Allis was delayed. In the West Allis case, the recovery of \$2,369, the damage to street car barns at South 84th street and West Lapham avenue, West Allis, is sought. That damage also occurred during the strike.

## Move to Increase by 1% Income Tax on Insurers

(CONTINUED FROM PAGE 3)

country. Consequently, legislation which denies to domestic insurance companies a deduction for the cost of reinsurance under contracts effected in a foreign country will result in no undue hardship to domestic companies. Unless domestic companies are disallowed a deduction for the cost of reinsurance which is placed with a foreign company or a non-resident alien individual, under contracts ef-

## Find Fireman's Fund "House Mark"



"House marks," generally discarded in 1880, originally used as a means of identifying insured property and later as an advertising medium, are today found only in museums and the hands of collectors.

J. B. Levison, chairman of the Fireman's Fund group, which is celebrating its diamond jubilee, conducted a long search for the house mark used by the Fireman's Fund in the 1860's, visiting most of the collections in the country in his search. Almost ready to give up the search, believing no such mark existed, Mr. Levison discovered one in San Jose—almost in the backyard of the company's head offices in San Francisco. It

had been held by this family since 1867.

The marker played an important role in the company's original plans. Founded 75 years ago, the company donated 10 percent of its profits to the charitable fund of the San Francisco volunteer fire department—hence its name. The marker, a tin disc showing the then modern fire fighting equipment, was displayed on buildings insured by the company. It was the hope that the volunteer firemen would redouble their efforts to safeguard buildings bearing such a sign, since they had an interest in the profits of the company. The profit-sharing plan was discontinued by agreement after two years' operation.

fected in a foreign country, it will, however, be possible for them to resort to the practices now being employed by foreign insurance companies.

"It is recommended that the disallowance be made applicable to reinsurance premiums paid to a non-resident alien individual as well as to a foreign corporation. This is for the purpose of reaching reinsurance placed with the member underwriters of foreign associations of insurers who are individuals and act on their own responsibility, the insurance being placed with such underwriters rather than with the association.

### Amend Two Sections

"The subcommittee recommends that Section 204 (c) (1) and 207 (c) be amended so as to prevent insurance companies other than life from deducting as ordinary and necessary business expenses reinsurance premiums paid to a foreign corporation or a non-resident alien individual, under contracts entered into in a foreign country.

Substitution of a 3 percent stamp tax upon premiums charged upon all insurance policies, indemnity, fidelity or surety bonds issued by persons not engaged in business within the United States or not having an office or place of business here, the tax to be paid by the insurer and withheld by the insured or the remitting agent, is recommended as a substitute for the 3 percent stamp tax imposed upon premiums on certain types of insurance policies made or renewed upon property within the United States, imposed by the Revenue Act of 1926, or the 10 percent tax on individuals and the 15 percent tax on corporations imposed on premiums received in this country by non-resident aliens and foreign corporation having no office here, imposed under Sections 211 (a) and 231 (a) of the revenue act of 1936. Premiums subject to the proposed tax would be exempt from Sections 211 (a) and 231 (a) of the 1936 act.

"The suggested excise tax," it was explained, "would extend to foreign insurance policies and bonds not subjected to the existing excise tax and to policies, the premiums upon which escape income taxation because the contract is executed in a foreign country. Since the net-income content of such premiums is small, devices to avoid the somewhat heavy 10

percent and 15 percent income taxes imposed by the above sections are rather widely employed by foreign insurers. In order to reach insurance transactions which are effected outside the United States and which now escape the income tax, the subcommittee recommends that, under the new excise tax, delivery of the policy be made a taxable event."

As a practical matter, insurance people say that the disallowance of non-admitted reinsurance as a deduction does not represent much of a change. The companies, in filing their income tax returns, are required to submit a copy of their annual statement on the convention blank form. In the annual statement, companies do not take credit in their premium reserves for reinsurance premiums paid to alien, non-admitted insurers. Accordingly, they have not been taking credit for such reinsurance premiums as an income tax deduction.

### NEWS BRIEFS

C. F. Philipp, San Francisco broker 30 years, died. His business will be carried on by E. S. Rosenthal.

John A. Johnson, Gloucester, Mass., who has represented the Atlas Assurance for 30 years, received a bronze plaque.

Complying with the new state law the Reedsburg Farmers Mutual Fire, Reedsburg, Wis., has adopted the standard mutual fire policy.

The Evansville Agency, 705 Furniture building, Evansville, Ind., has been incorporated by J. G. Crenshaw, W. E. Mart, Jr., and Edith Dome.

J. W. Atkinson, former local agent of Olympia, Wash., has reentered the insurance business, having purchased the Keystone Insurance agency from W. C. McEvers.

The Citizens Insurance Agency, 217 Main street, Vincennes, Ind., has been incorporated by C. C. Winkler, I. D. Schaffer, John Wolfe, F. L. Oliphant and Henry Ostendorf.

Tom Welch has joined the Wheeler-Kelly-Hagney Agency at Wichita. He was for several years with the Oldroyd Agency at Arkansas City and recently has been in the casualty field in Kansas City, Mo.

The Clapp-Thomssen-Merrill Agency, St. Paul, has been formed to take over the business heretofore handled by the insurance department of the Clapp-Thomssen Co., real estate firm, which has cleared its insurance business through the Fitzhugh & R. A. Burns agency.

## ATTORNEYS (Cont.) WISCONSIN (Cont.)

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## C. H. Smith Urges Pushing Of Use and Occupancy

(CONTINUED FROM PAGE 4)

Use and occupancy insurance is really easy to sell, Mr. Smith declared, because it is sold incidental to the occurrence of a property loss that is admitted. "All you have to do to sell this protection," he said, "is to show your prospect that coincident with his having a loss from property damage he will have a loss from suspension of business." From his books it is possible to build up the figures of a probable loss from this source. If the prospect hesitates about showing his whole business setup, the salesman can tell him to give a fraction of his operations and use this fraction all the way through in arriving at a proposed probable loss.

It will be found in most cases that continuing expenses will run several times what profit loss will amount to.

A point to drive home is the fact that he will have to make a big draft on his surplus to cover such loss.

Mr. Smith advised against the use of a work sheet with the prospect. "He would want to take it to his accountant, fill it out and kiss me good-bye," Mr. Smith declared. It is a good idea to know, by heart, every item on the work sheet and put the items to the prospect verbally. When it comes to the form to be used Mr. Smith advised his hearers not to mess up the sale by letting the prospect make the choice.

If you find the insured has a good surplus you can appeal to his pride by saying: "That represents something of which you should be very proud and no doubt you are proud of it, but you are jeopardizing the whole surplus by not insuring it against loss due to suspension of your business, and the whole results of your life work can be wiped out."

M. R. Beal, special agent of the Automobile, was elected to membership in

the association. G. L. Heinz, president of the association, presided.

## Does An Adjuster Practice Law Is Question

(CONTINUED FROM PAGE 23)

"As is sometimes the case when a decision is handed down on a point not previously the subject of judicial determination," Mr. Kelly remarked, "it is difficult to tell how far a ruling of the court will be applied. Taking that court's ruling at face value, it would seem that every agent or broker, who sells liability insurance in Missouri, is practicing law since the court held that adjusters are practicing law when they determine whether or not said companies particular insurance contract covers a particular casualty of the insured." The adjuster is apparently practicing law under this decision if he decides that there is no coverage in a particular accident because at the time it occurred a policyholder was driving a Ford car, which he owned, while the policy covers only accident which arise out of the use of operation of a Buick automobile. If the investigation discloses that at the time of the accident the car was being driven by a child of twelve, who had taken the car without the knowledge of his parents, the adjuster cannot point out to either the injured person or the company that under the policy contract there is no coverage.

"It is difficult to see the grounds for a valid distinction between such activities on the part of an adjuster and the most approved sales method followed by thousands of agents and brokers today. Any agent who is unable to explain to a policyholder or prospective policyholder the legal meaning of the exclusion in all of his liability contracts is generally regarded as incompetent. Almost every day an agent engaged in active production explains to a policyholder that his insurance will or will not protect him under a certain given set of circumstances. If the rule of law laid down in the Missouri case is to be followed literally an agent will be confined to presenting all liability policies with a short statement somewhat as follows: 'This is an automobile liability policy which has been drafted or approved by the legal department of our company. If you wish to know what coverage it will give you in exchange for the premium which you pay, I would suggest that you consult your attorney. I cannot explain its provisions to you without practicing law.'

"One of the most striking instances of a production activity which will be affected by the decision is the survey method which has been pushed to the front in recent years. Under this widely used method of production an insurance agent secures all of the policies of his prospects and then makes a complete analysis of the coverage which they afford, pointing out any deficiencies or any situations which might create a need for coverage. Such activities under the decision would seem to definitely belong inside the exclusive field of the attorney."

## B. M. A. Accident-Health Club

The Accident & Health Club of the Business Men's Assurance has 49 members, four of whom are directors. Leading the accident and health field for the years was Mrs. Carrie Summers of Houston, Tex., who qualified as president of the A. & H. Club, with paid premiums of \$6,484. Mrs. Summers also qualified as director of the Grant Club and member of the \$100,000 Club. L. B. Isaacson of Ogden, Utah, qualified for vice-president.

## Globe & Republic Dividends

In addition to the regular quarterly of 20 cents, the Globe and Republic of the Corroon & Reynolds group declared an extra of 5 cents per share both payable Jan. 29 to stock of record Jan. 20.

## Detroit Agents Meet Draws Several Noted Speakers

(CONTINUED FROM PAGE 4)

should be corrected. We hope that the time will come when the companies realize that we should have something to say about the various coverages that we are required to sell to the public."

Mr. Mullally praised work of the conference committee under G. W. Carter, and that of the Business Development Committee under J. W. Mundus, and told of the state organization having raised a fund to finance a field secretary to promote the association work, introducing Waldo Hildebrand, who was appointed to this position Dec. 1. Mr. Mullally praised accomplishments of Mr. Hildebrand during the six weeks he has been in the field.

## George Carter Talks

The final speaker was Conference Chairman G. W. Carter. "Having been in the insurance business for many years, I discovered during the conferences in New York last week that I apparently know nothing about insurance," he said. "We were conferring with a fine body of men representing the companies, but these men's psychology was not based on sales experience as ours was. We could not reach a meeting of the minds, but when the decision to abide by the original plan was announced to us, we realized that it is up to us to support them until such time as we can convince them that we are right."

After a standing tribute to the memory of the late Kenneth Watkins, Mr. Carter presented a toilet set and case to Mr. Liscomb as a token of the esteem in which he is held by Detroit agents.

President Dreifus announced election of four directors to serve three-year terms. Mr. Dreifus himself was re-elected to the board and A. M. Creed, G. W. Hicks and H. W. Peacock were added.

George W. Dyer, superintendent of the automobile department of the Central Surety, and Miss Fanny Katz were married in Kansas City.

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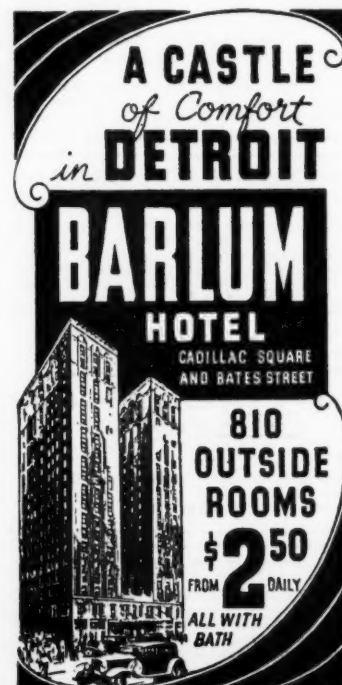
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***Statement December 31, 1936***

**ASSETS**

U. S. Treasury Bonds . . . . .	\$1,618,037.96
Other Bonds . . . . .	1,126,384.52
Stocks . . . . .	144,581.00
Accrued Interest . . . . .	23,718.47
Cash in Office and Banks . . . . .	124,993.03
	<b>\$3,037,714.98</b>

**LIABILITIES**

Voluntary Contingency Reserve . . . . .	\$ 537,714.98
Statutory Deposit, New York . . . . .	850,000.00
Net Surplus above Deposit . . . . .	1,650,000.00
Surplus to Policy Holders . . . . .	<b>2,500,000.00</b>
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